

City of Huntington Beach Planning and Building Department

STAFF REPORT

TO:

Planning Commission

FROM:

Scott Hess, AICP, Director of Planning and Building

BY:

Ethan Edwards, AICP, Associate Planner

DATE:

March 13, 2012

SUBJECT:

DEVELOPMENT AGREEMENT NO. 11-002/ COASTAL DEVELOPMENT PERMIT NO. 09-011/ CONDITIONAL USE PERMIT NO. 09-037/ SPECIAL

PERMIT NO. 12-001 (WATERFRONT DEVELOPMENT AGREEMENT &

HILTON EXPANSION)

APPLICANT: Shawn Millbern, The Robert Mayer Corporation, 8951 Research Drive, Irvine, CA 92618

PROPERTY

OWNER:

City of Huntington Beach, 2000 Main Street, Huntington Beach, CA 92648

LOCATION: 21100 Pacific Coast Highway, 92648 (bounded on the north by Pacific Avenue, on the

east by Twin Dolphin Drive, on the south by Pacific Coast Highway, and on the west by

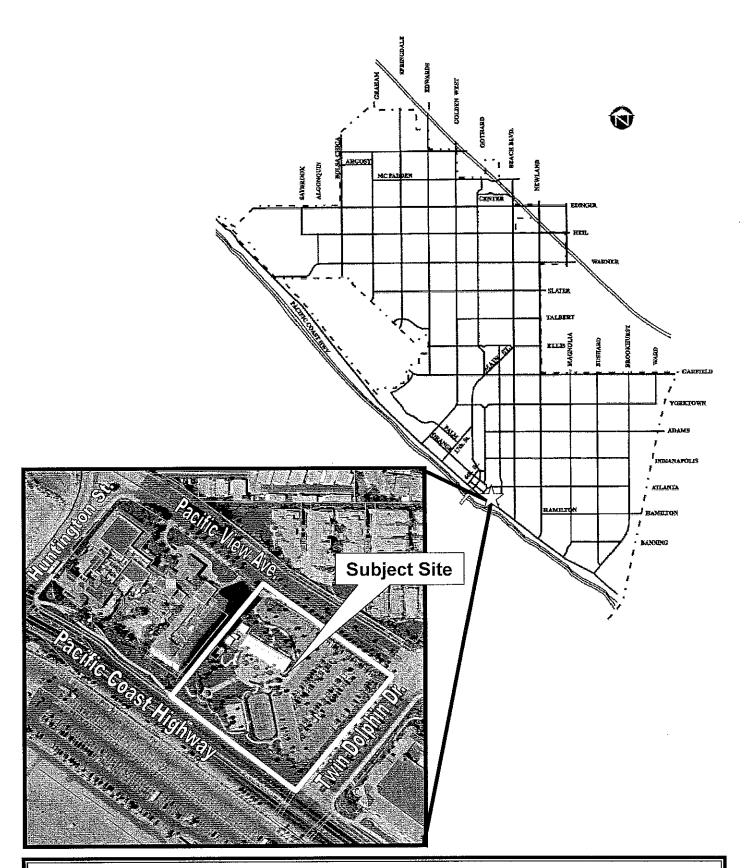
the existing Hilton Waterfront Beach Resort)

STATEMENT OF ISSUE:

Development Agreement No. 11-002 request:

- To permit a 5 year extension of time to the existing Amended and Restated Development Agreement adopted on October 21, 1998. The existing Development Agreement is set to expire on October 21, 2013 and the 5-year extension would permit the Development Agreement to expire on October 21, 2018.
- Coastal Development Permit No. 09-011/Conditional Use Permit No. 09-037 represent a request for the following:
 - To permit the expansion of the Hilton Waterfront Beach Resort including a nine-story tower providing a total of 156 new guestrooms with appurtenant facilities. It will also include approximately 13,700 sq. ft. of meeting space, full service business center, casual dining restaurant, combined grocery/gift store, secondary retail/recreational services store, children's club providing supervised play, health spa, fitness facility, outdoor function lawn and outdoor garden patio area, main pool deck area with family-oriented pool, smaller pool for younger children, two jacuzzi pools, outdoor pool bar/beverage service, and a secondary porte-cochere entry off Pacific View Avenue. The hotel expansion proposes a one level semi-subterranean parking structure with 261 parking spaces, a loading dock and other back-of-house facilities. The project will host all inclusive events such as weddings, conferences, parties, and meetings.
 - To permit dancing, live entertainment, and sale and consumption of alcoholic beverages at the food and beverage outlets, ballrooms, meeting areas, lounges, pool deck, and function lawns.

- To permit 100% valet parking service (no self-parking) with approximately 35% tandem parking spaces.
- To permit the term of Conditional Use Permit No. 09-037/Coastal Development Permit No. 09-011/Special Permit No. 12-001 to run concurrently with the term of the Development Agreement.
- Special Permit No. 12-001 represents a request for the following pursuant to DTSP Section 4.1.02:
 - To permit a combination of landscaping materials including: trees and plants and decorative hardscape (paving for the secondary driveway) treatments within the minimum 20 ft. building setback area fronting Pacific View Avenue in lieu of the setback entirely landscaped.
 - To permit the encroachment of structures exceeding 42 inches in height into the minimum perimeter setback areas including: glass windscreens, landscape retaining walls along Pacific Coast Highway, exterior exit stair at Twin Dolphin Drive, and an enclosure for Edison equipment at Pacific Avenue.
 - To permit approximately 21% of the parking stalls with less than the required 3 ft. clearance to adjacent walls or columns.
 - To permit a 13% maximum ramp slope within the parking garage in lieu of 10%.
- Staff's Recommendation: Approve Development Agreement No. 11-002, Coastal Development Permit No. 09-011, Conditional Use Permit No. 09-037, and Special Permit No. 12-001 based upon the following:
 - Conformance to the provisions of Chapter 246 Development Agreements of the Huntington Beach Zoning and Subdivision Ordinance to ensure the City will receive benefits with regard to design, employment opportunities, increased property and sales tax revenue and desired facilities;
 - Conformance to applicable goals and policies of the General Plan and the provisions of the DTSP and Zoning Ordinance;
 - Consistency with Waterfront Commercial Master Site Plan previously approved by the Planning Commission on September 14, 1998;
 - Sufficient parking for the hotel expansion based on parking demand and the minimum requirements of the HBZSO including the provision of 100% valet parking and 35% tandem parking spaces; and,
 - Consistency of the overall design with the existing master planned development and the Design Guidelines.



VICINITY MAP

DEVELOPMENT AGREEMENT NO. 11-002, COASTAL DEVELOPMENT PERMIT NO. 09-011, CONDITIONAL USE PERMIT NO. 09-037, SPECIAL PERMIT NO. 12-001 (WATERFRONT DEVELOPMENT AGREEMENT & HILTON EXPANSION—21100 PCH)

RECOMMENDATION:

Motion to:

- A. "Approve Development Agreement No. 11-002 with findings for approval (Attachment No. 1) and forward Draft Ordinance (Attachment No. 6) to the City Council for adoption."
- B. "Approve Coastal Development Permit No. 09-011, Conditional Use Permit No. 09-037, and Special Permit No. 12-001 with findings and suggested conditions of approval (Attachment No. 1)."

ALTERNATIVE ACTION(S):

The Planning Commission may take alternative actions such as:

- A. "Deny Development Agreement No. 11-002, Coastal Development Permit No. 09-011, Conditional Use Permit No. 09-037, and Special Permit No. 12-001 with findings for denial."
- B. "Continue Development Agreement No. 11-002, Coastal Development Permit No. 09-011, Conditional Use Permit No. 09-037, and Special Permit No. 12-001 and direct staff accordingly."

PROJECT PROPOSAL:

Waterfront Development Agreement

Development Agreement No. 11-002 represents a request for a minor amendment to the existing Amended and Restated Development Agreement adopted on October 21, 1998. The request is only to extend the period of time for which the final phase of The Waterfront Project may be completed before the existing Development Agreement expires (Attachment No. 7). The existing Development Agreement is set to expire on October 21, 2013 and the 5-year extension would permit the Development Agreement to expire on October 21, 2018. The approved Development Agreement contains terms dealing with the land use approvals and covenants applicable to the site, vesting of rights, subsequent discretionary approvals, and public improvements and utilities to be provided. Sections 2.3, 3.1.1, and 3.1.3.1 establishes that the applicable code provisions for the project are those in existence as of the effective date of the original development agreement, which was November 2, 1988. No other amendments are proposed.

Hilton Expansion

Coastal Development Permit No. 09-011, Conditional Use Permit No. 09-037 and Special Permit No. 12-001 represent a request to expand the existing Hilton Waterfront Beach Resort. The project consists of the following specific requests:

<u>Coastal Development Permit No. 09-001/Conditional Use Permit No. 09-037</u> represent a request for the following:

A. To permit the expansion of the Hilton Waterfront Beach Resort including a nine-story tower providing a total of 156 new guestrooms with appurtenant facilities. It will also include approximately 13,700 sq. ft. of meeting space, full service business center, casual dining restaurant, combined grocery/gift store, secondary retail/recreational services store, children's club providing supervised play, health spa, fitness facility, outdoor function lawn and outdoor garden

patio area, main pool deck area with family-oriented pool, smaller pool for younger children, two jacuzzi pools, outdoor pool bar/beverage service, and a secondary porte-cochere entry off Pacific View Avenue. The hotel expansion proposes a one level semi-subterranean parking structure with 261 parking spaces, a loading dock and other back-of-house facilities. The project will host all inclusive events such as weddings, conferences, parties, and meetings. The request is pursuant to DTSP Section 4.11.01 (c).

- B. To permit dancing, live entertainment, and sale and consumption of alcoholic beverages at the food and beverage outlets, ballrooms, meeting areas, lounges, pool deck, and function lawns pursuant to DTSP Section 4.11.01 (b).
- C. To permit 100% valet parking service (no self-parking) with approximately 35% tandem parking spaces pursuant to Section 231.18.E.2 of the HBZSO.
- D. To permit the term of Conditional Use Permit No. 09-037/Coastal Development Permit No. 09-011/Special Permit No. 12-001 to run concurrently with the term of the Development Agreement pursuant to Section 241.16.A of the HBZSO.

Special Permit No. 12-001 represents a request for the following pursuant to DTSP Section 4.1.02:

- A. To permit a combination of landscaping materials including: trees and plants and decorative hardscape (paving for the secondary driveway) treatments within the minimum 20 ft. building setback area fronting Pacific View Avenue in lieu of the setback entirely landscaped pursuant to Section 4.2.15(a) of the DTSP.
- B. To permit the encroachment of structures exceeding 42 inches in height into the minimum perimeter setback areas including: glass windscreens, landscape retaining walls along Pacific Coast Highway, exterior exit stair at Twin Dolphin Drive, and an enclosure for Edison equipment at Pacific Avenue pursuant to Sections 4.11.06, 4.11.07 and 4.11.08 of the DTSP.
- C. To permit approximately 21% of the parking stalls with less than the required 3 ft. clearance to adjacent walls or columns pursuant to Section 9605.1(a) of the HBOC.
- D. To permit a 13% maximum ramp slope within the parking garage in lieu of 10% pursuant to 9605.1(b) of the HBOC.

The proposed project is to permit the expansion of the existing twelve-story Hilton Waterfront Beach Resort by adding a new nine-story tower. The project site is located on approximately 3.71 acres adjacent (east) to the existing Hilton hotel and is part of a larger master planned development (approximately 45 acres) known as The Waterfront Development Project. The proposed hotel expansion will include minor modifications to the existing Hilton hotel in order to facilitate an integrated experience for guests. Such modifications include: new main level corridors, pedestrian connections between existing and new pools, conversion of existing guestrooms to other uses, parking structure connection, and various landscaping and walkway revisions. The proposed architectural style of the new tower is contemporary Mediterranean consistent with the overall master planned development. The proposed building forms, architectural details, colors, landscaping and style are intended to be consistent with the existing Hilton hotel. The project includes requests for dancing, live entertainment, and sale and consumption of alcoholic beverages

at the food and beverage outlets, ballrooms, meeting areas, lounges, pool deck, and function lawns in the same manner currently offered at the existing Hyatt and Hilton hotels. Parking will be provided in the expansion project in one level of 100% valet service with tandem parking spaces below the main public level of the building.

Background:

The subject project represents the fourth and final phase of the master planned development, which was originally approved in 1989. The existing development consists of the 290-room Hilton Waterfront Beach Resort which opened in 1990, the 517-room Hyatt Regency Huntington Beach Resort and Spa approved in 1998 and opened in 2003, and the 184-unit Waterfront residential community approved in 2002 and completed in 2004. A Commercial Master Site Plan was approved in conjunction with the original Hilton hotel (Phase 1) in 1989 and later amended as part of the 1998 Hyatt Regency development (Phase 2) pursuant to the DTSP Section 4.11.02. The Commercial Master Site Plan is intended to guide the long-term development of the site as an integrated resort development, phasing the project in an orderly manner and providing for a common theme of uses, architecture, landscaping and pedestrian links. The intent is to provide an integrated development plan of differing but compatible hotels and conference facilities that provide a number of alternative accommodations for visitors and residents of the City. In addition, a Development Agreement (DA) for the Waterfront Development Project was originally approved in 1988 to provide certainty for the City and the applicant as to the desired land use, intensity, vesting of rights, and provisions for mutual benefits. The DA was last amended in 1998 as part of the Hyatt Regency development and the current request is to extend the existing term by 5-years to allow for completion of the final phase (Hilton expansion).

The existing Hilton Waterfront Beach Resort is a full-service, first-class resort hotel consisting of 290 guestrooms in a twelve-story tower, approximately 13,250 sq. ft. of meeting space, one full-service restaurant, one deli-style casual dining restaurant, a club lounge, gift store, pool, jacuzzi and other miscellaneous amenities including back-of-house support facilities, and two subterranean levels of parking with approximately 321 parking spaces. On August 25, 1998 the Planning Commission approved Conditional Use Permit No. 98-9 and Coastal Development Permit No. 98-6 for interim uses on the subject site consisting of a pavilion tent for social events, a function lawn and wedding gazebo, one tennis court, one volleyball court, and surface parking. Those uses currently remain on the site but will be removed in their entirety when the proposed project commences construction.

Study Session Summary:

The project was presented at the Planning Commission study session on February 14, 2012. The Planning Commission asked if the current (2011) Downtown Specific Plan or 1983 Downtown Specific Plan was applicable to the project and if a copy of the Development Agreement would be included in the next report. Staff indicated that pursuant to provisions in the Development Agreement, only the 1983 Downtown Specific Plan is applicable and that the existing Development Agreement would be attached to the report. No further questions or follow up items were asked of staff.

ISSUES:

Subject Property And Surrounding Land Use, Zoning And General Plan Designations:

LOCATION	GENERAL PLAN	ZONING (1983)	LAND USE
Subject Property	CV-F7-sp (Commercial Visitor –	SP5 (Downtown	Interim hotel uses
	3.0 Floor Area Ratio - specific	Specific Plan -	
	plan overlay)	District 9)	
North of Subject Property	RH-30-sp (Residential High	SP5 (Downtown	Residential (Waterfront
(across Pacific View	Density - 30 du/acre - specific	Specific Plan -	Residential
Avenue)	plan overlay)	District 8B)	Development)
South of Subject Property	OS-S (Open Space - Shore)	SP5 (Downtown	Beach
(across Pacific Coast Hwy)	,	Specific Plan -	
		District 11)	
West of Subject Property	CV-F7-sp (Commercial Visitor -	SP5 (Downtown	Hotel (Hilton Waterfront
	3.0 Floor Area Ratio – specific	Specific Plan -	Beach Resort – earlier
	plan overlay)	District 7)	phase)
East of Subject Property	CV-F7-sp (Commercial Visitor –	SP5 (Downtown	Hotel (Hyatt Regency
(across Twin Dolphin	3.0 Floor Area Ratio – specific	Specific Plan -	Resort)
Drive)	plan overlay)	District 9)	

General Plan Conformance:

The General Plan Land Use Map designation on the subject property is CV-F7-sp (Commercial Visitor – 3.0 Floor Area Ratio – specific plan overlay). The proposed project is consistent with this designation and the goals, policies, objectives, and implementation program of the City's General Plan as follows:

A. Land Use Element

Goal LU1: Achieve development that maintains or improves the City's fiscal viability and reflects economic demands while maintaining and improving the quality of life for the current and future residents of Huntington Beach.

<u>Goal LU 7:</u> Achieve a diversity of land uses that sustains the City's economic viability, while maintaining the City's environmental resources and scale and character.

<u>Goal LU 7.1:</u> Accommodate the development of a balance of land uses that (a) provides for the housing, commercial, employment, educational, cultural, entertainment, and recreation needs of existing and future residents, (b) provides employment for residents of the City and surrounding subregion, (c) captures visitor and tourist activity, and (d) provides open space and aesthetic "relief" from urban development.

<u>Goal LU11:</u> Achieve the development of projects that enable residents to live in proximity to their jobs, commercial services, and entertainment, and reduce the need for automobile use.

<u>Implementation Program I-LU 7:</u> Where appropriate, the City may use Development Agreements as binding implementation tools. Development Agreements are authorized by State law to enable a

city to enter into a binding contract with a developer that assures the city as to the type, character, and quality of development and additional "benefits" that may be contributed and assures the developer that the necessary development permits will be issued regardless of changes in regulations.

B. Economic Development Element

<u>Goal - ED 1:</u> Provide economic opportunities for present and future Huntington Beach residents and businesses through employment and local fiscal stability.

Objective - ED 1.1: Enhance the City's market potential in terms of retail, office, industrial, and visitor serving activity. This would allow Huntington Beach to provide for retail, office, and industrial opportunities that serve the current and projected population and enhance sales and occupancy tax revenue.

<u>Goal - ED 1.2:</u> Seek to create a cumulative economic growth that provides a balance throughout the community.

<u>Objective - ED 3:</u> Enhance Huntington Beach's economic development potential through strategic land use planning and sound urban design practices.

C. Urban Design Element

<u>Policies UD 1.1.2:</u> Reinforce Downtown as the City's historic center and as a pedestrianoriented commercial and entertainment/recreation district by requiring new development be designed to reflect the Downtown's historical structures and adopted Mediterranean theme

<u>Policies - UD 1.4.1:</u> Enhance the connections, where feasible between the public sidewalk and private commercial interior open spaces/courtyard

D. Coastal Element

<u>Policy C 1.1.4:</u> Where feasible, locate visitor-serving commercial uses in existing developed areas or at selected points of attraction for visitors.

<u>Goal C 3:</u> Provide a variety of recreational and visitor-serving commercial uses for a range of cost and market preferences.

<u>Policy C 3.2.3:</u> Encourage the provision of a variety of visitor-serving commercial establishments within the Coastal Zone, including, but not limited to, shops, restaurants, hotels and motels, and day spas.

<u>Policy C 3.4.2:</u> Enhance the Municipal Pier and surrounding area to function as the "hubs" of tourist and community activity.

The proposed project would expand an existing full service hotel and represents the fourth and final phase of The Waterfront master planned development. Public services and infrastructure are currently

available to the project site, as well as the surrounding parcels; and is located near other established points of attraction, including the Huntington Beach Municipal Pier, and is intended to reinforce the vicinity as a major visitor-serving district. The proposed project is consistent with the goals, policies, objectives, and implementation program of the City's General Plan and the Land Use Element designation of CV (Commercial-Visitor) on the subject property. The subject property is located within Community Subarea 4D (Waterfront) and complies with the Permitted Uses (Hotels/Motels and supporting visitor-serving commercial uses in accordance with Development Agreement), Density/Intensity (Category: "-F7", Hotel/motel rooms: 1,690, Commercial: 75,000 square feet), and Design and Development (Category: Specific Plan ("-sp") as defined by the adopted Development Agreement). The proposed project is consistent with the existing Amended and Restated Development Agreement and the Waterfront Commercial Master Plan adopted on October 21, 1998. By extending the term of the Development Agreement, the City will continue to receive substantial benefits, including: development of an intensity or density and aesthetic quality desired by the community, additional employment opportunities, increased property and sales tax revenues, and the provision of desired public facilities. The proposed project is in substantial conformance with the Downtown Design Guidelines for public and private improvements. Concepts found in the Downtown Design Guidelines such as: appropriate mass and form; creating a pedestrian experience; preserving views; and appropriate colors, materials and architectural features have been considered and incorporated into The Waterfront master-planned development. The proposed expansion project is consistent by providing contemporary Mediterranean architecture with arched windows, tile roofs, open walkways, and ocean view courtyards with panoramic views. The overall building forms, architectural details, colors, landscaping, and style are intended to be consistent with the existing property. The proposed expansion project provides an architectural style and site design envisioned by the Downtown Design Guidelines.

Zoning Compliance:

Pursuant to Sections 2.3, 3.1.1, and 3.1.3.1 of the existing Waterfront Development Agreement, the applicable code provisions for the project are those in existence as of the effective date of the original development agreement, which was November 2, 1988. Therefore, the Downtown Specific Plan adopted in 1983 is applicable. The project is located in District No. 9, Commercial Recreation of SP5 - CZ (Downtown Specific Plan – Coastal Zone), which encourages large, coordinated development that is beach-oriented and open to the public for both commercial and recreational purposes. With the exception of the special permits and incorporation of the suggested conditions of approval the project complies with the minimum requirements of the base zone. In addition, a list of City Code Requirements, Policies, and Standard Plans of the Huntington Beach Zoning & Subdivision Ordinance and Municipal Code has been provided to the applicant (Attachment No. 5) for informational purposes only.

Urban Design Guidelines Conformance:

The proposed project is in substantial conformance with the Downtown Design Guidelines for public and private improvements. The adoption of the Downtown Specific Plan by the City Council in 1983 included a design theme: Contemporary Mediterranean architecture, a style responsive to the climate and location of the City. The contemporary Mediterranean style is comprised of many influences – images from the coastal portions of Spain, Italy, Portugal and Greece, mixed with elements of contemporary Mexican and Southern Californian architecture. Arches, deeply recessed windows, courtyards, tile roofs, balconies, and stucco walls are common features. The climate and ocean proximity dictate orientation to

the prevailing breezes, protection from the sun and wind and views of the ocean. Light-colored building materials reflect the sunlight and become a background to the brighter accent colors of the building trim and other architectural details. Concepts found in the Downtown Design Guidelines such as: appropriate mass and form; creating a pedestrian experience; preserving views; and appropriate colors, materials and architectural features have been considered and incorporated into The Waterfront master-planned development. The proposed expansion project is contemporary Mediterranean with arched windows, tile roofs, open walkways, and ocean view courtyards with panoramic views. The overall building forms, architectural details, colors, landscaping, and style are intended to be consistent with the existing property. The proposed expansion project provides an architectural style and site design envisioned by the Downtown Design Guidelines.

Environmental Status:

The Waterfront Development Project was first conceptually discussed in the Huntington Beach Downtown Specific Plan, which was evaluated by Environmental Impact Report 82-2 (certified in 1983). Subsequently, Supplemental Environmental Impact Report (SEIR) No. 82-02 was certified by the City Council on August 15, 1988, and analyzed the potential environmental impacts associated with implementation of The Waterfront Development Project (including the existing Hyatt Regency, the Hilton hotels and a future third hotel) and identified appropriate mitigation measures. Furthermore, with respect to the third hotel (final phase) of the Waterfront Development Project, two Addendums (Addendum #1 & #2) were prepared over time to account for proposed modifications and reductions in project scale.

SEIR No. 82-2 analyzed the proposed development of a twelve-story, 300-room first-class hotel, with up to 15,000 sq. ft. of meeting space. This use and project scale were consistent with the evaluations in both Addendum #1 and Addendum #2 to SEIR No. 82-2. A third Addendum to SEIR No. 82-02 has been prepared to compare the current project (which includes the development of a nine-story, 151 room expansion) with the previously proposed project. The Addendum concluded there are no new significant environmental effects that were not previously disclosed in SEIR 82-2, and in fact, all effects were determined to be less than significant as a result of the reduced scope of development and no new mitigation measures are needed. The Addendum is attached for informational purposes (Attachment No. 4). No Planning Commission action is required for the Addendum to SEIR No. 82-02.

Coastal Status:

The proposed project is located within the non-appealable jurisdiction of the Coastal Zone. Coastal Development Permit No. 09-011 is being processed concurrently with Conditional Use Permit No. 09-037, and Special Permit No. 12-001. The proposed project, as conditioned, complies with the zoning code (with exception to the requested special permit) and Coastal Zone requirements, and will implement the following policies of the Coastal Element of the General Plan:

- Protect, encourage and, where feasible, provide visitor-serving facilities in the Coastal Zone that are varied in type and price.
- Ensure that adequate parking is provided in all new development in the Coastal Zone.

Redevelopment Status:

The project is located in the Huntington Beach Redevelopment Project, Main-Pier sub-area. The Economic Development Department has reviewed the request and supports the proposed development because the project will further implement the Main-Pier Redevelopment Project sub-area by:

- Providing additional visitor-serving commercial opportunities in the downtown;
- Providing additional overnight lodging accommodations;
- Providing additional dining opportunities for both visitors and residents of the community at large;
- Enhancing local revenues through the generation of sales tax, property tax increment and transient occupancy taxes that will benefit the community at large.

The City is the property owner (formerly Redevelopment Agency) and co-applicant on the proposal and development of the Waterfront master planned development is being undertaken pursuant to the Fifth Implementation Agreement to the Amended and Restated Development Agreement dated May 16, 2011 and the Amended and Restated Disposition and Development Agreement dated September 14, 1998.

Design Review Board:

The project was reviewed by the Design Review Board (DRB) at the September 23, 2010 meeting. The DRB reviewed the design and supported the overall integrated hotel concept, building layout, access and circulation, landscaping, architectural design and special permits. The DRB took action on the project and recommended approval of the project with the following modification:

Additional landscaping (i.e. undercanopy shrubbery, ground-cover, etc.) shall be provided between loading/parking activities and adjacent residential across Pacific View Ave.

The applicant concurs with the DRB recommended modification. The DRB recommendation has been made Suggested Condition of Approval No. 1.a for the proposed project.

Other Departments Concerns and Requirements:

The Departments of Planning & Building, Economic Development, Community Services, Fire, Police, and Public Works have reviewed the application and identified comments and applicable code requirements (Attachment No. 5) with no major concerns and comments.

Public Notification:

Legal notice was published in the Huntington Beach/Fountain Valley Independent on March 1, 2012, and notices were sent to property owners of record (and tenants) within a 500 ft. radius of the subject property, individuals/organizations requesting notification (Planning Division's Notification Matrix), applicant, and interested parties. As of March 6, 2012, staff has received two letters in support of the project (Attachment No.10). Also, it should be noted that he applicant met with the Board of Directors of the Waterfront residential homeowner's association on November 15, 2011 to present the project. The Board indicated their understanding of the proposal and did not express opposition.

Application Processing Dates:

DATE OF COMPLETE APPLICATION: MANDATORY PROCESSING DATE(S):

September 12, 2011 March 12, 2012 (Within 6 months of complete application)

Coastal Development Permit No. 09-011 / Conditional Use Permit No. 09-037 were filed on December 18, 2009 and Development Agreement No. 10-034 was filed on June 16, 2011. The environmental review (Addendum to SEIR No. 82-2) was deemed complete on September 12, 2011 and the project is required to be processed within 6 months after the application (including environmental review) is deemed complete. On February 14, 2012, the applicant submitted a letter waiving the mandatory processing time in an effort to allow review of an updated parking demand study.

ANALYSIS:

The primary issues to consider with this request are consistency with HBZSO Chapter 246 (Development Agreements), General Plan, compliance with the Downtown Specific Plan & The Waterfront Commercial Master Plan, Special Permits, and parking.

Consistency with HBZSO Chapter 246 - Development Agreements

The objective of a development agreement is to provide assurances that an applicant may proceed with a project in accordance with existing policies and standards in place at the time of project approval. The City previously determined that The Waterfront project was of such a size and scale that the Development Agreement was appropriate. The Development Agreement provides certainty for the City and property owner as to the land use, density and intensity of development and provides the City with benefits, including development which is of the aesthetic and economic quality desired by the community. The request is to extend the period of time for which the final phase of The Waterfront Project may be completed before the existing Development Agreement expires. The existing Development Agreement is set to expire on October 21, 2013 and the proposed 5-year extension would permit the Development Agreement to expire on October 21, 2018. The approved Development Agreement contains terms dealing with the land use approvals and covenants applicable to the site, vesting of rights, subsequent discretionary approvals, and public improvements and utilities to be provided.

Section 1.4 of the existing Development Agreement (Attachment No. 7) memorializes that the City has previously found and determined that the findings required under Chapter 246.12 of the City's Zoning & Subdivision Ordinance for development agreements have been satisfied. Below are those findings contained within the Development Agreement with additional commentary provided:

1. The Development Agreement is consistent with the General Plan, the Specific Plan, and the Local Coastal Program.

The proposed 5-year extension does not change the Development Agreement's consistency with the General Plan, Downtown Specific Plan, and the Local Coastal Program. Although these plans have been amended from time to time following the Adoption Date of the Development Agreement, there has not been a change in any of these plans that affect the site in a manner that would cause the Development Agreement to be inconsistent with these plans.

2. The Development Agreement is consistent with Chapter 246 of the Zoning Ordinance, the Municipal Code, and the State Subdivision Map Act.

The proposed 5-year extension does not change any provision within the Development Agreement that would lead to an inconsistency with the referenced ordinance, code and act. Further, the final

phase of The Waterfront project (the expansion of the existing Hilton hotel) will be developed on a separate legal parcel previously subdivided in conformance with the State Subdivision Map Act.

3. The Development Agreement will not be detrimental to the health, safety and general welfare; and will not adversely affect the orderly development of property.

The proposed 5-year extension does not change the allowed uses at the site; further, there have been no material changes to the land uses surrounding the site that could affect this prior determination.

4. The City Council has considered the fiscal effect of the Development Agreement on the City and the effects on the housing needs of the region in which the City is situated and has balanced these needs against the public service needs of its residents and available fiscal and environmental resources.

The proposed amendment does not change the allowed uses at the site for which this determination has previously been made by the City. Further, the City Redevelopment Agency's Five Year Implementation Plan identifies the completion of The Waterfront development as a priority objective, and the expansion of the existing Hilton hotel is expected to provide new property tax increment, additional transient occupancy taxes, sales taxes, business license taxes and utility user tax revenues to the City.

Implementation Program I-LU 7 of the General Plan regarding development agreements provides that, "Where appropriate, the City may use Development Agreements as binding implementation tools. Development Agreements are authorized by State law to enable a city to enter into a binding contract with a developer that assures the city as to type, character, and quality of development and additional "benefits" that may be contributed and assures the developer that the necessary development permits will be issued regardless of changes in regulations."

Section 1.3 of the Development Agreement states in part, "As a result of the development of the Site in accordance with the Original Development Agreement as amended and restated in this Agreement, the City will receive substantial benefits, including: commercial and residential development of an intensity or density and aesthetic quality desired by the community, additional employment opportunities, increased property and sales tax revenues, and the provision of desired public facilities. In consideration of those benefits, the City herein provides Developer assurance that during the term of this Agreement, it may develop, maintain and use the Property in accordance with the terms and conditions of this Agreement."

The City by this language has previously made the determination that the Development Agreement is in compliance with Implementation Program I-LU 7 of the General Plan. No changes to the Development Agreement are proposed which would change this determination and the therefore the Development Agreement is in compliance with this policy.

Consistency with the General Plan

The proposed project would expand an existing hotel use and represents the fourth and final phase of The Waterfront master planned development. The proposed project is consistent with the goals and objectives of the City's General Plan and the Land Use Element designation of CV (Commercial-Visitor) on the

subject property. The subject property is located within Community Subarea 4D (Waterfront) and complies with the Permitted Uses (Hotels/Motels and supporting visitor-serving commercial uses (in accordance with Development Agreement)), Density/Intensity (Category: "-F7", Hotel/motel rooms: 1,690, Commercial: 75,000 square feet), and Design and Development (Category: Specific Plan ("-sp") as defined by the adopted Development Agreement). The proposed project is consistent with the existing Amended and Restated Development Agreement and the Waterfront Commercial Master Plan adopted on October 21, 1998.

Compliance with the Downtown Specific Plan & The Waterfront Commercial Master Plan

Pursuant to Sections 2.3, 3.1.1, and 3.1.3.1 of the existing Waterfront Development Agreement, the applicable code provisions for the project are those in existence as of the effective date of the original development agreement, which was November 2, 1988. Therefore, the Downtown Specific Plan adopted in 1983 is applicable. The proposed development complies with the purpose, permitted uses, and site development requirements of District No. 9, Commercial/Recreation, of the DTSP with the exception of the requested special permits for landscaping, encroachment into required setbacks, parking dimension and clearances, and maximum ramp slope. The proposed hotel is a permitted use subject to approval of a Conditional Use Permit from the Planning Commission. The project will comply with the development standards set forth by the base zoning district in terms of maximum density, maximum height, maximum site coverage, minimum setbacks, minimum open space, and minimum onsite parking.

Section 4.11.02 of the Downtown Specific Plan (1988) requires that a master plan for all of District 9 be approved by the Planning Commission. The Waterfront Commercial Master Plan was adopted in conjunction with the original Development Agreement in 1988. On August 25, 1998, the Planning Commission approved an amendment to The Waterfront Commercial Master Plan (Attachment No. 8) in conjunction with Development Agreement No. 98-1. This plan is intended to guide the long-term development of the site as an integrated resort development, phasing the project in an orderly manner and providing for a common theme of uses, architecture, landscaping, and pedestrian links. The intent is to provide framework for an integrated development plan of differing but compatible hotels and conference facilities that provide a number of alternative accommodations for visitors and residents of the City. The proposed project is in substantial conformance with the adopted Waterfront Commercial Master Plan.

The following is a table of certain key requirements found within the Downtown Specific Plan and Waterfront Commercial Master Plan:

Requirement	DTSP	Master Site Plan	Proposed
Permitted Uses	Hotels	Hotels	Expansion of existing hotel
	Dancing/Entertainment	Dancing/Entertainment	with dancing, entertainment, recreational
	Recreational Facilities	Recreational Facilities	facilities, and restaurants
	Restaurants	Restaurants	via CUP by PC
	(CUP by PC)		
Minimum Parcel Size	Per Master Site Plan	Lot $2 = 3.55$ ac	Lot $2 = 3.55$ ac
		Lot 1 = 0.16 ac	Lot $1 = 0.16$ ac

Requirement	DTSP	Master Site Plan	Proposed
Maximum Density	3.0 FAR	none	1.39 FAR
·		275,000 sq. ft. max bldg. area	215,000 sq. ft.
Max Height	None	130 feet	125 feet
Max Site Coverage (Buildings)	35%	44%	42.8%
Max Site Coverage (Parking & Vehicular Accessways)	25%	9.9%	6.3%
Setbacks – Rear	20 ft - Pacific View	20 ft - Pacific View	20 ft – Special Permit for Edison equipment
Setbacks – Front	50 ft - PCH	50 ft - PCH	50 ft- Special Permit for walls, walkways, etc.
Setbacks – Side	20 ft - Twin Dolphin	20 ft - Twin Dolphin	20 ft – Special Permit for exit stairs
Minimum Open Space	30% (w/ min. dimension of 25')	41.1% (w/ min. dimension of 25') plus 6.2% misc. = 47.3% total	43.4% (w/ min. dimension of 25') plus 9.9% misc. = 53.3% total
Building Bulk	None	Low rise = max 4 stories/70' high	Low rise = 1 story/30'-40' high
		High rise = max 12 stories/130' high	High rise = 9 stories/125' high

Special Permits

The applicant is requesting approval of four special permits. Section 4.1.02 of the Downtown Specific Plan allows the Planning Commission to grant special permits for deviations from the development standards of the Downtown Specific Plan. Special permits may be approved when the Planning Commission determines that significantly greater benefits from the project can be provided than would occur if all the minimum requirements were met. In addition, the Planning Commission must determine that the project and related special permits will also:

- 1. Promote better living environments; and
- 2. Provide better land planning techniques with maximum use of aesthetically pleasing types of architecture, landscaping, site layout and design; and
- 3. Not be detrimental to the general health, welfare, safety and convenience of the neighborhood or City in general, nor detrimental or injurious to the value of property or improvements of the neighborhood or of the City in general; and

- 4. Be consistent with objective of the Downtown Specific Plan in achieving a development adapted to the terrain and compatible with the surrounding environment; and
- 5. Be consistent with the policies of the Coastal Element of the City's General Plan and the California Coastal Act; and
- 6. Comply with State and Federal law.

Special Permit - Landscaping

Section 4.2.15(a) of the DTSP requires landscaping within the required setback areas fronting on or visible from an adjacent public street. The required 20 foot setback area fronting Pacific View Avenue would include a combination of landscaping materials including: trees and plants and decorative hardscape treatments. As a result of the proposed design, the width of green landscaping between the secondary access drive and the sidewalk at Pacific View Avenue is approximately 4 feet. In an effort to meet the overall intent of this requirement, the applicant is proposing decorative colored concrete, payers, or similar hardscaping at all portions of the access drive with contrasting color and texture at the arrival area and the pedestrian zone under the porte-cochere (Suggested Condition of Approval No. 1.b). Hardscape materials are an acceptable landscaping solution to meet the overall intent for an enhanced pedestrian and street scene. Even with the expanded hotel, approximately 80% of arrivals and departures from the hotel will continue to use the existing main porte-cochere. This is where the hotel's lobby and registration desk will remain and is the only entry that will be open and staffed on a 24-hour basis. Because of how the secondary porte-cochere is designed to operate, additional vertical landscaping elements are not necessary as part of the expansion project to provide additional visual buffering along Pacific View Avenue. Further, the green landscaping on both the north and south side of Pacific View Avenue between the Hyatt and existing Hilton varies in width from 5' to as much as 20'. With the enhanced drive surfaces, landscaping adjacent to the sidewalk and the additional landscaping adjacent to the building, the project will provide an attractive pedestrian-level experience consistent with the overall high-quality and combination of landscape materials found throughout The Waterfront master-planned project. Staff supports the special permit for a combination of landscaping treatments within the setback area fronting Pacific View Avenue because it provides for enhanced building site orientation and access while maintaining the intent of the requirement to provide an attractive pedestrian-level and streetscape experience.

Special Permit - Setbacks

The DTSP establishes minimum required setbacks for District #9 and it specifies that no structure over 42" in height may be constructed within the setback areas, excluding swimming pools, patios, walks, access drives, or similar paved areas. The proposed buildings comply with those setbacks. However, there are various landscape retaining walls, glass windscreens, screen walls, gates, fences, exterior stairways, and other similar miscellaneous structures greater than 42" in height within the building setback areas. These various encroachments into the setback areas are essentially unnoticeable, are consistent with the resort character of the project, are consistent with the improvements and prior permits issued for the existing Hilton and Hyatt hotels, and in most cases provide architectural elements that are a visual improvement to the project. The encroachments are as follows:

Glass Windscreens

A glass windscreen will be located along the perimeter of the new main pool deck and function courtyard facing Pacific Coast Highway that will provide protection from the prevailing winds and additional sound attenuation from highway noise. In order to meander the course of this glass wall

in and around the landscaping to provide a less obtrusive appearance, significant portions of it encroach approximately 4' to 15' into the setback along Pacific Coast Highway. However, the screen wall, being made of glass and located near the top of the slope above Pacific Coast Highway, is largely unnoticeable by the public.

- Landscape Retaining Walls
 It is necessary to increase the grade elevation of the project in order to match the existing main floor level of the Hilton hotel, to achieve ocean views from the project's new pool deck and public areas, to reduce the visual and noise impact of Pacific Coast Highway, and to construct semi-subterranean parking facilities that remain above the groundwater table. As a result, just like the existing Hilton and Hyatt Regency hotels, the project will be surrounded by landscaped slopes. At various locations around the project it is necessary to construct retaining walls which exceed 42" in height within the setback area and range approximately 1' to 9' in height in order to provide slope stability at large grade changes or where structures, stairways, or walkways are nearby. The locations where these retaining walls occur include occasional areas along Pacific Coast Highway and Twin Dolphin Drive and at the two eastern corners of the project. Some of these retaining walls will be integrated with other decorative planters, features, and structures. In addition, in some areas where walkways occur, ramps consistent with ADA requirements would be constructed which require retaining walls and handrails as they transition sloped areas. In all
- Exterior Exit Stair at Twin Dolphin Drive On the eastern side of the project, approximately 4' to 12' high retaining walls are proposed to support an exit stair down to the sidewalk at Twin Dolphin Drive.

unnoticeable to the public, given the project's scale and lush landscaping.

cases, the retaining walls will be integrated into the design of the project and will be essentially

Enclosure for Edison Equipment at Pacific View Avenue
 Approximately 6' high retaining and/or screen walls are proposed near the corner of Pacific View
 Avenue and Twin Dolphin Drive to screen the Edison transformer and switch equipment from
 public view.

Staff supports the special permit for the described encroachments because they are essentially unnoticeable, provides a consistent Pacific Coast Highway frontage theme from the Hyatt to the existing Hilton, are consistent with the resort character of the overall project, and in most cases provide architectural elements that are visual improvements to the project.

Special Permit - Parking Stall Dimension

The applicable code provision for the minimum dimensions of parking stalls, Section 9605.1(a) (effective 8/88) of the then Huntington Beach Ordinance Code, provided that parking structures shall have stall dimensions that are a minimum of 8.5' wide by 18' deep with a 26' wide drive aisle. Staff finds that the special permit request to deviate from the minimum parking stall dimension requirement is not necessary because the project conforms to applicable code provisions as established by the Development Agreement.

Special Permit - Parking Stall Clearance

Section 231.16.A of the HBZSO requires that the width of a parking stall be increased by 3' where the stall is adjacent to a wall or adjacent to a column located more than 3' from the head or foot of such stall. The previously referenced Section 9605.1(a) (effective 8/88) applicable to the project required that the width of a stall be increased by 2.5' where the stall is adjacent to a wall, and only stated that stalls adjacent to columns may require additional width depending upon the size and location of the column. In any event, approximately 21% of the stalls in the proposed expansion garage do not provide a full 3' clearance to adjacent walls or columns. The application of these parking standards to many buildings and stand-alone parking structures is straightforward, as structural columns and walls can normally be easily located around the dimensional constraints of parking stalls and ramp dimensions. However, in the case of a resort hotel, the column spacing is necessarily defined by the design of the guestrooms and meeting facilities, and therefore the parking spaces are laid out to most efficiently fit around the column spacing defined by the structure above. The structural grid created by a typical resort hotel causes constraints that are not found in most other structures or stand-alone facilities. The use of 100% valet parking reduces any potential hardship associated with this issue. Lastly, this special permit is consistent with a special permit issued for the same conditions existing at the Hyatt Regency hotel. Staff supports the special permit request to deviate from minimum parking stall clearance requirements because of structural constraints, inclusion of 100% valet parking, and that it provides efficient site planning and design.

Special Permit - Garage Transition Ramp

A vehicular connection between the upper level of existing parking at the Hilton hotel and the new expansion project parking is planned inside the garages. The garage decks will differ in height by 4 feet, requiring a ramp in the new expansion garage for the connection. The location of the ramp has been set to minimize conflict with parking spaces and drive aisle locations in both the existing and planned garage, which necessarily limits its length. The resulting average slope at the ramp is currently projected to be approximately 10.2%, slightly above the maximum slope of 10% for garage ramps pursuant to Section 9605.1(b) (effective 8/88). However, the precise slope is subject to final construction dimensions and it would be preferable to start the top and bottom of the ramp at a lesser slope, resulting in a steeper slope in the mid portion of the ramp of approximately 13%. In order to allow design flexibility for an improved ramp design and allow for possible construction variances, it is therefore requested that a maximum slope of 13% be allowed. As has been previously noted, the garage will be 100% valet operation and therefore the increased slope will not result in any difficulties for hotel guests or visitors. The Public Works Traffic Division has evaluated the requested transition percentages and concludes that the deviations will not result in any unsafe auto movements. Staff supports the request for an increased slope of the transition ramps in that the proposed parking garage with a transition ramp that exceeds the maximum slope is a superior land planning technique when compared to the alternative of a surface parking lot.

Parking

The proposed project is an integrated expansion of the Hilton Waterfront Beach resort. The expanded parking structure will connect to the existing parking structure and will be operated by the same valet staff via the existing entry lobby and existing porte-cochere on Pacific View Drive. A second porte-cochere on Pacific View Drive will provide an additional option for attendees of ballroom events, but valet services from this entry point will still have use of the entire parking garage. The parking supply will be connected and function as a single garage in a similar manner as currently operated. The expanded parking structure adds 258 net new parking spaces for a total of 579 parking spaces. Approximately 35% of the parking spaces in the expanded garage and 16% in the existing garage will function as tandem

parking spaces. The use of tandem parking spaces provides greater efficiency in the use of limited space and when coupled with the 100% valet operations provides adequate parking to meet the minimum parking requirements. The development of the property is subject to the Amended and Restated Development Agreement (DA) dated September 14, 1998. The DA requires that the hotel provide 1.1 parking spaces per guest room, plus an additional 97 parking spaces, or as updated by a parking study. When completed, the Hilton will consist of 441 total guest rooms and would require 583 parking spaces per the DA. However, up to a total of 722 parking spaces (with the use of valet parking) will be provided on site as further described below.

	Guest rooms	Parking Required (1.1 per guestroom)	Parking Proposed
Existing Hilton	285	314	Standard - 267 Tandem - 51 (16%) Subtotal - 318
Proposed Hilton (expansion)	156	172 + 97 (additional parking required by DA)	Standard - 170 Tandem - 91 (35%) Subtotal - 261
Total	441	583	579 (722 with valet)

A parking demand analysis was prepared by LSA Associates, Inc (LSA) and submitted by the applicant on February 27, 2012 (Attachment No. 9). The Hilton Waterfront Beach resort utilizes 100 percent valet service which can augment parking capacity approximately 25-50 percent. For purposes of LSA's analysis, a parking supply of 722 spaces was evaluated. This supply included both striped parking spaces and an approximate 25 percent increase in the supply based on valet operation. The percent gain is within the anticipated benefit of valet operations described in the Downtown Huntington Beach Parking Master Plan Study (March 2009), which identified that valet operations could increase parking supply by up to 40 percent. As such, this represents a conservative estimate of the capacity that valet services would typically have at a similar facility.

Parking supply and demand for the proposed expansion was evaluated based on hotel design standards, industry parking sources, and the City's off-street parking requirements. Parking supply, including valet operations, was compared to the amount required by the DA and HBZSO and was found to meet these requirements. In addition, LSA analyzed the anticipated parking demand generated by operation of all of the uses provided within the hotel. Several industry resources were examined including ITE Parking Generation, ULI Shared Parking, and the Parking Demand Analysis for the proposed Pacific City Project. LSA also reexamined two previous parking studies prepared for the Hilton Waterfront Beach Resort (1994) and the Waterfront Ocean Grand Resort (1998). As a result, the parking demand for the Hilton Waterfront, including the expansion and all of its ancillary uses on site, can be accommodated within the proposed parking supply. The parking demand is consistent with industry parking standards for resort hotels, as well as similar studies conducted within the City. The resultant parking rate for the proposed project (1.64 spaces per room) is more conservative than: 1) observed at the existing hotel (1.47), 2) required by HBZSO (1.10), 3) identified in ITE (1.15) and other resort hotel sources, and 4) provided in a shared parking context with the ancillary uses on site on either a weekday (1.10) or weekend (1.34). Existing and proposed valet operations on site will ensure that the parking supply meets the overall demand for the expanded hotel and all of its functions.

SUMMARY:

Staff recommends approval of Development Agreement No. 11-002, Coastal Development Permit No. 09-011, Conditional Use Permit No. 09-037, and Special Permit No. 12-001 because the project:

- Conforms to the provisions of Chapter 246 Development Agreements of the Huntington Beach Zoning and Subdivision Ordinance to ensure the City will receive benefits with regard to design, employment opportunities, increased property and sales tax revenue and desired facilities;
- Conforms to applicable goals and policies of the General Plan and the provisions of the Downtown Specific Plan and Zoning Ordinance;
- Provides greater benefits by granting Special Permits to allow deviations to: required landscaping within the setback area fronting Pacific View Ave., encroachments of retaining walls, windscreens and stairs into the setback areas along Pacific Coast Highway and Twin Dolphin Dr., minimum parking stall clearances, and maximum parking ramp slope;
- Is consistent with Waterfront Commercial Master Site Plan previously approved by the Planning Commission on September 14, 1998;
- Provides sufficient parking for the hotel expansion based on parking demand and the minimum requirements of the HBZSO including the provision of 100% valet parking and 35% tandem parking spaces; and,
- Facilitates the overall design theme of the existing Waterfront master planned development and the Design Guidelines.

ATTACHMENTS:

- Suggested Findings and Conditions of Approval Development Agreement No. 11-002, Coastal Development Permit No. 09-011, Conditional Use Permit No. 09-037, and Special Permit No. 12-001
- 2. Site Plans, Floor Plans, and Elevations dated December 18, 2009
- 3. Project Narratives dated December 18, 2009 and June 16, 2011
- 4. Addendum to SEIR 82-2 dated March 5, 2012 (for informational purposes)
- 5. Code Requirements Letter (revised) dated February 28, 2012 (for informational purposes)
- 6. Draft Ordinance First Amendment to Amended and Restated Development Agreement
- 7. Existing Amended and Restated Development Agreement adopted October 21, 1998
- 8. Adopted Commercial Master Site Plan dated September 14, 1998
- 9. Parking Analysis by LSA received February 27, 2012
- 10. Public Comments Letter from Huntington Beach Chamber of Commerce dated December 15, 2011

SH:HF:EE:kd

ATTACHMENT NO. 1

SUGGESTED FINDINGS AND CONDITIONS OF APPROVAL

DEVELOPMENT AGREEMENT NO. 11-002/ COASTAL DEVELOPMENT PERMIT NO. 09-011/ CONDITIONAL USE PERMIT NO. 09-037/ SPECIAL PERMIT NO. 12-001

SUGGESTED FINDING FOR CEQA:

The Planning Commission finds that the project is covered by Supplemental Environmental Impact Report (SEIR) No. 82-02, and certified by the City Council on August 15, 1988, as well as, Addendum to SEIR No. 82-02 dated March 5, 2012, pursuant to the provisions of the California Environmental Quality Act.

SUGGESTED FINDINGS FOR APPROVAL - DEVELOPMENT AGREEMENT NO. 11-002:

The Minor Amendment to permit a 5 year extension of time to The Waterfront Development Agreement is consistent with the General Plan Land Use Map designation on the subject property of CV-F7-sp (Commercial Visitor – 3.0 Floor Area Ratio – specific plan overlay). The proposed project is consistent with this designation and the goals, policies, objectives, and implementation program of the City's General Plan as follows:

A. Land Use Element

<u>Goal LU 1:</u> Achieve development that maintains or improves the City's fiscal viability and reflects economic demands while maintaining and improving the quality of life for the current and future residents of Huntington Beach.

<u>Goal LU7:</u> Achieve a diversity of land uses that sustains the City's economic viability, while maintaining the City's environmental resources and scale and character.

<u>Goal LU 7.1:</u> Accommodate the development of a balance of land uses that (a) provides for the housing, commercial, employment, educational, cultural, entertainment, and recreation needs of existing and future residents, (b) provides employment for residents of the City and surrounding subregion, (c) captures visitor and tourist activity, and (d) provides open space and aesthetic "relief" from urban development.

<u>Goal LU11:</u> Achieve the development of projects that enable residents to live in proximity to their jobs, commercial services, and entertainment, and reduce the need for automobile use.

<u>Implementation Program I-LU 7:</u> Where appropriate, the City may use Development Agreements as binding implementation tools. Development Agreements are authorized by State law to enable a city to enter into a binding contract with a developer that assures the city as to the type, character, and

quality of development and additional "benefits" that may be contributed and assures the developer that the necessary development permits will be issued regardless of changes in regulations.

B. Economic Development Element

<u>Goal - ED 1:</u> Provide economic opportunities for present and future Huntington Beach residents and businesses through employment and local fiscal stability.

<u>Objective - ED 1.1:</u> Enhance the City's market potential in terms of retail, office, industrial, and visitor serving activity. This would allow Huntington Beach to provide for retail, office, and industrial opportunities that serve the current and projected population and enhance sales and occupancy tax revenue.

<u>Goal - ED 1.2:</u> Seek to create a cumulative economic growth that provides a balance throughout the community.

<u>Objective - ED 3:</u> Enhance Huntington Beach's economic development potential through strategic land use planning and sound urban design practices.

C. Urban Design Element

<u>Policies UD 1.1.2:</u> Reinforce Downtown as the City's historic center and as a pedestrianoriented commercial and entertainment/recreation district by requiring new development be designed to reflect the Downtown's historical structures and adopted Mediterranean theme

<u>Policies - UD 1.4.1:</u> Enhance the connections, where feasible between the public sidewalk and private commercial interior open spaces/courtyard

D. Coastal Element

<u>Policy C 1.1.4:</u> Where feasible, locate visitor-serving commercial uses in existing developed areas or at selected points of attraction for visitors.

Goal C 3: Provide a variety of recreational and visitor-serving commercial uses for a range of cost and market preferences.

<u>Policy C 3.2.3:</u> Encourage the provision of a variety of visitor-serving commercial establishments within the Coastal Zone, including, but not limited to, shops, restaurants, hotels and motels, and day spas.

<u>Policy C 3.4.2:</u> Enhance the Municipal Pier and surrounding area to function as the "hubs" of tourist and community activity.

The proposed project would expand an existing full service hotel and represents the fourth and final phase of The Waterfront master planned development. Public services and infrastructure are currently available to the project site, as well as the surrounding parcels; and is located near other established

points of attraction, including the Huntington Beach Municipal Pier, and is intended to reinforce the vicinity as a major visitor-serving district. The proposed project is consistent with the goals, policies, objectives, and implementation program of the City's General Plan and the Land Use Element designation of CV (Commercial-Visitor) on the subject property. The subject property is located within Community Subarea 4D (Waterfront) and complies with the Permitted Uses (Hotels/Motels and supporting visitor-serving commercial uses (in accordance with Development Agreement)), Density/Intensity (Category: "-F7", Hotel/motel rooms: 1,690, Commercial: 75,000 square feet), and Design and Development (Category: Specific Plan ("-sp") as defined by the adopted Development Agreement). The proposed project is consistent with the existing Amended and Restated Development Agreement and the Waterfront Commercial Master Plan adopted on October 21, 1998. By extending the term of the Development Agreement, the City will continue to receive substantial benefits, including: development of an intensity or density and aesthetic quality desired by the community, additional employment opportunities, increased property and sales tax revenues, and the provision of desired public facilities. The proposed project is in substantial conformance with the Downtown Design Guidelines for public and private improvements. Concepts found in the Downtown Design Guidelines such as: appropriate mass and form; creating a pedestrian experience; preserving views; and appropriate colors, materials and architectural features have been considered and incorporated into The Waterfront master-planned development. The proposed expansion project is consistent by providing contemporary Mediterranean architecture with arched windows, tile roofs, open walkways, and ocean view courtyards with panoramic views. The overall building forms, architectural details, colors, landscaping, and style are intended to be consistent with the existing property. The proposed expansion project provides an architectural style and site design envisioned by the Downtown Design Guidelines.

<u>SUGGESTED FINDINGS FOR APPROVAL - COASTAL DEVELOPMENT PERMIT NO. 09-011</u>:

- 1. Coastal Development Permit No. 09-011 to permit: a) the expansion of the Hilton Waterfront Beach Resort including a nine-story tower providing a total of 156 new guestrooms with appurtenant facilities including approximately 13,700 sq. ft. of meeting space, business center, restaurants, grocery/gift store, retail/recreational services store, health spa, two pools, one level semi-subterranean parking structure with 261 parking spaces, a loading dock and other back-of-house facilities; that will host all inclusive events such as weddings, conferences, parties, meetings; b) permit dancing, live entertainment, and sale and consumption of alcoholic beverages at the restaurants, ballrooms, meeting rooms, lounges, pool deck, and function lawns; c) 100% valet parking service (no self-parking) with approximately 35% tandem parking spaces; d) permit the term of Conditional Use Permit No. 09-037/Coastal Development Permit No. 09-011/Special Permit No. 12-001 to run concurrently with the term of the Development Agreement conforms with the General Plan, including the Local Coastal Program.
- 2. The project is consistent with the requirements of the CZ Overlay District, the base zoning district, as well as other applicable provisions of the Municipal Code except for any special permits approved concurrently. The proposed project as conditioned provides development that is consistent with the design guidelines, and is compatible with the scale and transition of surrounding development.

- 3. At the time of occupancy the proposed development can be provided with infrastructure in a manner that is consistent with the Local Coastal Program. The proposed project site currently supports or will provide all necessary infrastructures to adequately service the site and not impact adjacent development.
- 4. The development conforms with the public access and public recreation policies of Chapter 3 of the California Coastal Act. The proposed project does not conflict with any public recreation policies and will add opportunities for access by improving pedestrian connections and creating view opportunities that are consistent with the City's General Plan, Coastal Element, Downtown Specific Plan and Waterfront Commercial Master Plan.

SUGGESTED FINDINGS FOR APPROVAL - CONDITIONAL USE PERMIT NO. 09-037:

- 1. Conditional Use Permit No. 09-037 to permit: a) the expansion of the Hilton Waterfront Beach Resort including a nine-story tower providing a total of 156 new guestrooms with appurtenant facilities including approximately 13,700 sq. ft. of meeting space, business center, restaurants, grocery/gift store, retail/recreational services store, health spa, two pools, one level semi-subterranean parking structure with 261 parking spaces, a loading dock and other back-of-house facilities; that will host all inclusive events such as weddings, conferences, parties, meetings; b) permit dancing, live entertainment, and sale and consumption of alcoholic beverages at the restaurants, ballrooms, meeting rooms, lounges, pool deck, and function lawns; c) 100% valet parking service (no self-parking) with approximately 35% tandem parking spaces; d) permit the term of Conditional Use Permit No. 09-037/Coastal Development Permit No. 09-011/Special Permit No. 12-001 to run concurrently with the term of the Development Agreement will not be detrimental to the general welfare of persons working or residing in the vicinity or detrimental to the value of the property and improvements in the neighborhood. The project has been evaluated for compatibility with the surrounding neighborhood and with the conditions of approval imposed, the project will be designed to address the transition and scale of adjacent properties, be designed on a pedestrian scale and character, and will provide the required parking to serve the uses on site.
- 2. The conditional use permit will be compatible with surrounding uses because the project is designed with a contemporary Mediterranean architectural theme which is compatible with the Downtown Design Guidelines and the existing uses. The proposed expansion will provide architectural elements and features to enhance the pedestrian character and scale of the street scene surrounding the project. In addition, the project incorporates the proper massing and scale, the design features of the Mediterranean architectural style and the colors and materials recommended by the Design Guidelines for the Downtown.
- 3. The proposed hotel expansion will comply with the provisions of the base district and other applicable provisions in Titles 20-25 of the Huntington Beach Zoning and Subdivision Ordinance. The proposed project as conditioned and with the special permits provides a development that is consistent with the design guidelines, is compatible with the scale and transition of surrounding development, and provides consistent public improvements.

PC Staff Report – 3/13/12 Attachment No. 1.4

4. The granting of the conditional use permit will not adversely affect the General Plan. It is consistent with the General Plan Land Use Map designation on the subject property of CV-F7-sp (Commercial Visitor – 3.0 Floor Area Ratio – specific plan overlay). The proposed project is consistent with this designation and the goals, policies, objectives, and implementation program of the City's General Plan as follows:

A. Land Use Element

<u>Goal LU 1:</u> Achieve development that maintains or improves the City's fiscal viability and reflects economic demands while maintaining and improving the quality of life for the current and future residents of Huntington Beach.

<u>Goal LU7:</u> Achieve a diversity of land uses that sustains the City's economic viability, while maintaining the City's environmental resources and scale and character.

Goal LU 7.1: Accommodate the development of a balance of land uses that (a) provides for the housing, commercial, employment, educational, cultural, entertainment, and recreation needs of existing and future residents, (b) provides employment for residents of the City and surrounding sub-region, (c) captures visitor and tourist activity, and (d) provides open space and aesthetic "relief" from urban development.

<u>Goal LU11:</u> Achieve the development of projects that enable residents to live in proximity to their jobs, commercial services, and entertainment, and reduce the need for automobile use.

Implementation Program I-LU 7: Where appropriate, the City may use Development Agreements as binding implementation tools. Development Agreements are authorized by State law to enable a city to enter into a binding contract with a developer that assures the city as to the type, character, and quality of development and additional "benefits" that may be contributed and assures the developer that the necessary development permits will be issued regardless of changes in regulations.

B. Economic Development Element

<u>Goal - ED 1:</u> Provide economic opportunities for present and future Huntington Beach residents and businesses through employment and local fiscal stability.

<u>Objective - ED 1.1:</u> Enhance the City's market potential in terms of retail, office, industrial, and visitor serving activity. This would allow Huntington Beach to provide for retail, office, and industrial opportunities that serve the current and projected population and enhance sales and occupancy tax revenue.

<u>Goal - ED 1.2:</u> Seek to create a cumulative economic growth that provides a balance throughout the community.

<u>Objective - ED 3:</u> Enhance Huntington Beach's economic development potential through strategic land use planning and sound urban design practices.

C. <u>Urban Design Element</u>

<u>Policies UD 1.1.2:</u> Reinforce Downtown as the City's historic center and as a pedestrian-oriented commercial and entertainment/recreation district by requiring new development be designed to reflect the Downtown's historical structures and adopted Mediterranean theme

<u>Policies - UD 1.4.1:</u> Enhance the connections, where feasible between the public sidewalk and private commercial interior open spaces/courtyard

D. Coastal Element

<u>Policy C 1.1.4:</u> Where feasible, locate visitor-serving commercial uses in existing developed areas or at selected points of attraction for visitors.

<u>Goal C 3:</u> Provide a variety of recreational and visitor-serving commercial uses for a range of cost and market preferences.

<u>Policy C 3.2.3</u>: Encourage the provision of a variety of visitor-serving commercial establishments within the Coastal Zone, including, but not limited to, shops, restaurants, hotels and motels, and day spas.

<u>Policy C 3.4.2:</u> Enhance the Municipal Pier and surrounding area to function as the "hubs" of tourist and community activity.

The proposed project would expand an existing full service hotel and represents the fourth and final phase of The Waterfront master planned development. Public services and infrastructure are currently available to the project site, as well as the surrounding parcels; and is located near other established points of attraction, including the Huntington Beach Municipal Pier, and is intended to reinforce the vicinity as a major visitor-serving district. The proposed project is consistent with the goals, policies, objectives, and implementation program of the City's General Plan and the Land Use Element designation of CV (Commercial-Visitor) on the subject property. The subject property is located within Community Subarea 4D (Waterfront) and complies with the Permitted Uses (Hotels/Motels and supporting visitor-serving commercial uses (in accordance with Development Agreement)), Density/Intensity (Category: "-F7", Hotel/motel rooms: 1,690, Commercial: 75,000 square feet), and Design and Development (Category: Specific Plan ("-sp") as defined by the adopted Development Agreement). The proposed project is consistent with the existing Amended and Restated Development Agreement and the Waterfront Commercial Master Plan adopted on October 21, 1998. By extending the term of the Development Agreement, the City will continue to receive substantial benefits, including: development of an intensity or density and aesthetic quality desired by the community, additional employment opportunities, increased property and sales tax revenues, and the provision of desired public facilities. The proposed project is in substantial conformance with the Downtown Design Guidelines for public and private improvements. Concepts found in the Downtown Design Guidelines such as: appropriate mass and form; creating a pedestrian experience; preserving views; and appropriate colors, materials

and architectural features have been considered and incorporated into The Waterfront masterplanned development. The proposed expansion project is consistent by providing contemporary Mediterranean architecture with arched windows, tile roofs, open walkways, and ocean view courtyards with panoramic views. The overall building forms, architectural details, colors, landscaping, and style are intended to be consistent with the existing property. The proposed expansion project provides an architectural style and site design envisioned by the Downtown Design Guidelines.

SUGGESTED FINDINGS FOR APPROVAL - SPECIAL PERMITS 12-001:

- 1. The granting of Special Permits (pursuant to Section 4.1.02 of the DTSP) in conjunction with Conditional Use Permit No. 09-037/Coastal Development Permit No. 09-011 is for the following:
 - a. To permit a combination of landscaping materials including: trees and plants and decorative hardscape (paving for the secondary driveway) treatments within the minimum 20 ft. building setback area fronting Pacific View Avenue in lieu of the setback entirely landscaped.
 - b. To permit the encroachment of structures exceeding 42 inches in height into the minimum perimeter setback areas including: glass windscreens, landscape retaining walls along Pacific Coast Highway, exterior exit stair at Twin Dolphin Drive, and an enclosure for Edison equipment at Pacific Avenue.
 - c. To permit approximately 21% of the parking stalls with less than the required 3 ft. clearance to adjacent walls or columns.
 - d. To permit a 13% maximum ramp slope within the parking garage in lieu of 10%.

These Special Permits result in a greater benefit from the project and will promote a better living environment because it provides for enhanced building site orientation and access while maintaining an attractive pedestrian-level experience, allows for various encroachments for greater design flexibility, and provides for relief of parking space development requirements for more efficient valet-only semi-subterranean parking and circulation.

- 2. The granting of Special Permits will provide better land planning techniques with maximum use of aesthetically pleasing types of architecture, landscaping, site layout and design due to the use of more efficient and appropriate site planning by placing buildings to enhance views, the use of Mediterranean architecture, the incorporation of semi-subterranean parking, and overall compatibility with the overall design theme of The Waterfront master planned development.
- 3. The granting of Special Permits will not be detrimental to the general health, welfare, safety, and convenience of the neighborhood or City in general, nor detrimental or injurious to the value of property or improvements of the neighborhood or of the City in general. The project has been evaluated for compatibility with the Downtown Specific Plan and Waterfront Commercial Master Plan and with the conditions of approval imposed, the project is designed appropriately and cognizant of adjacent properties, designed with a high-level of pedestrian scale amenities and visual experiences, will provide the required parking to serve the uses on site, and will meet the goals and policies of the General Plan.

- 4. The granting of Special Permits will be consistent with objectives of the Downtown Specific Plan in achieving a development adapted to the terrain and compatible with the surrounding environment. The proposed development complies with the purpose, permitted uses, and site development requirements of District No. 9, Commercial/Recreation. The project will comply with the development standards set forth by the base zoning district in terms of maximum density, maximum height, maximum site coverage, minimum setbacks, minimum open space, and minimum onsite parking and provisions found within the Waterfront Commercial Master Plan.
- 5. The granting of Special Permits will be consistent with the policies of the Coastal Element of the City's General Plan and the California Coastal Act. The project is consistent with the following Coastal Element goal and policies:
 - <u>Policy C 1.1.4:</u> Where feasible, locate visitor-serving commercial uses in existing developed areas or at selected points of attraction for visitors.
 - <u>Goal C 3:</u> Provide a variety of recreational and visitor-serving commercial uses for a range of cost and market preferences.
 - <u>Policy C 3.2.3:</u> Encourage the provision of a variety of visitor-serving commercial establishments within the Coastal Zone, including, but not limited to, shops, restaurants, hotels and motels, and day spas.
 - <u>Policy C 3.4.2:</u> Enhance the Municipal Pier and surrounding area to function as the "hubs" of tourist and community activity.

The proposed project would expand an existing full service hotel and represents the fourth and final phase of The Waterfront master planned development. Public services and infrastructure are currently available to the project site, as well as the surrounding parcels; and is located near other established points of attraction, including the Huntington Beach Municipal Pier, and is intended to reinforce the vicinity as a major visitor-serving district.

<u>SUGGESTED CONDITIONS OF APPROVAL – DEVELOPMENT AGREEMENT NO. 11-002/COASTAL DEVELOPMENT PERMIT NO. 09-011/CONDITIONAL USE PERMIT NO. 09-037/ SPECIAL PERMIT NO. 12-001:</u>

- 1. The site plan, floor plans, elevations, and section elevations dated December 18, 2009, shall be the conceptually approved design with the following modifications:
 - a. Additional landscaping (i.e. undercanopy shrubbery, ground-cover, etc.) shall be provided between loading/parking activities and adjacent residential across Pacific View Ave. (DRB)
 - b. Decorative concrete, pavers, or similar hardscaping shall be provided at all portions of the access drive (between the existing Hilton driveway to the west and driveway terminus to the east, and landscape planter to the north and landscape planter or building edge to the south) with contrasting color and texture at the arrival area and pedestrian zone under the portecochere. (PL)
- 2. Prior to issuance of demolition permits, the following shall be completed:

- a. Pursuant to the requirements of the South Coast Air Quality Management District, an asbestos survey shall be completed.
- b. The applicant shall complete all Notification requirements of the South Coast Air Quality Management District.
- c. All asbestos shall be removed from all buildings prior to demolition of any portion of any building.
- 3. Prior to the issuance of grading permits, the following shall be completed:
 - a. At least 14 days prior to any grading activity, the applicant/developer shall provide notice in writing to property owners of record and tenants of properties within a 500-foot radius of the project site as noticed for the public hearing. The notice shall include a general description of planned grading activities and an estimated timeline for commencement and completion of work and a contact person name with phone number. Prior to issuance of the grading permit, a copy of the notice and list of recipients shall be submitted to the Planning and Building Department.
- 4. Prior to submittal for building permits, the following shall be completed:
 - a. One set of project plans, revised pursuant to Condition of Approval No. 1, shall be submitted for review, approval and inclusion in the entitlement file, to the Planning Division.
 - b. Zoning entitlement conditions of approval, code requirements identified herein and code requirements identified in separately transmitted memorandum from the Departments of Planning and Building, Fire, and Public Works shall be printed verbatim on one of the first three pages of all the working drawing sets used for issuance of building permits (architectural, structural, electrical, mechanical and plumbing) and shall be referenced in the sheet index. The minimum font size utilized for printed text shall be 12 point.
- 5. During demolition, grading, site development, and/or construction, the following shall be adhered to:
 - a. Construction equipment shall be maintained in peak operating condition to reduce emissions.
 - b. Use low sulfur (0.5%) fuel by weight for construction equipment.
 - c. Truck idling shall be prohibited for periods longer than 5 minutes.
 - d. Attempt to phase and schedule activities to avoid high ozone days first stage smog alerts.
 - e. Discontinue operation during second stage smog alerts.
 - f. Ensure clearly visible signs are posted on the perimeter of the site identifying the name and phone number of a field supervisor to contact for information regarding the development and any construction/ grading activity.
- 6. The structure cannot be occupied, the final building permit(s) cannot be approved, and a Certificate of Occupancy cannot be issued until the following have been completed:
 - a. All improvements must be completed in accordance with approved plans, except as provided for by conditions of approval.

- b. The applicant shall obtain the necessary permits from the South Coast Air Quality Management District and submit a copy to the Planning Division.
- c. Compliance with all conditions of approval specified herein shall be verified by the Planning and Building Department.
- d. All building spoils, such as unusable lumber, wire, pipe, and other surplus or unusable material, shall be disposed of at an off-site facility equipped to handle them.
- 7. A covenant agreement shall be submitted to the Planning Division encumbering Lot 1 of Tract 13045 and Lot 2 of Tract 15535 to hold as one parcel for purposes of permitting construction over property line(s) under one ownership. The legal instrument shall be submitted to the Planning Division a minimum of 30 days prior to building permit issuance. The document shall be approved by the Planning Division as to form and content and, when approved, shall be recorded in the Office of the County Recorder prior to final building permit approval. A copy of the recorded document shall be filed with the Planning Division for inclusion in the entitlement file prior to final building permit approval. The recorded agreement shall remain in effect in perpetuity, expect as modified or rescinded pursuant to the expressed written approval of the City of Huntington Beach. (PL)
- 8. Prior to commencing live entertainment activities, an Entertainment Permit shall be obtained from the Police Department. All conditions contained in the Entertainment Permit shall be adhered to. (PD)
- 9. Prior to the sale of alcoholic beverages, a license shall be obtained from the Alcoholic Beverage control (ABC). All conditions contained in the ABC license shall be adhered to. (PD)
- 10. The facility shall employ a video surveillance security system and a one-month video library. The minimum requirements for the cameras shall be: color, digital recording to DVR and able to record in low light. Electronic copies of video must be made available to the Huntington Beach Police Department within 48 hours of request. Digital recordings shall be made available for viewing on-scene upon request by police officers conducting investigations. (PD)
- 11. 24-hour security shall be maintained at the facility. (PD)
- 12. The development services departments (Planning & Building, Fire, and Public Works) shall be responsible for ensuring compliance with all applicable code requirements and conditions of approval. The Director of Planning and Building may approve minor amendments to plans and/or conditions of approval as appropriate based on changed circumstances, new information or other relevant factors. Any proposed plan/project revisions shall be called out on the plan sets submitted for building permits. Permits shall not be issued until the Development Services Departments have reviewed and approved the proposed changes for conformance with the intent of the Planning Commission's action. If the proposed changes are of a substantial nature, an amendment to the original entitlement reviewed by the Planning Commission may be required pursuant to the provisions of HBZSO Section 241.18.
- 13. Conditional Use Permit No. 09-037/Coastal Development Permit No. 09-011/Special Permit No. 12-001 to shall run concurrently with the term of the Development Agreement and DDA (October 21, 2018) pursuant to Section 241.16.A of the HBZSO.

PC Staff Report – 3/13/12 Attachment No. 1.10

10. Incorporating sustainable or "green" building practices into the design of the proposed structures and associated site improvements is highly encouraged. Sustainable building practices may include (but are not limited to) those recommended by the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) Program certification (http://www.usgbc.org/DisplayPage.aspx?CategoryID=19) or Build It Green's Green Building Guidelines and Rating Systems (http://www.builditgreen.org/index.cfm?fuseaction=guidelines). Prior to submittal for building permits, the following shall be completed:

INDEMNIFICATION AND HOLD HARMLESS CONDITION:

The owner of the property which is the subject of this project and the project applicant if different from the property owner, and each of their heirs, successors and assigns, shall defend, indemnify and hold harmless the City of Huntington Beach and its agents, officers, and employees from any claim, action or proceedings, liability cost, including attorney's fees and costs against the City or its agents, officers or employees, to attack, set aside, void or annul any approval of the City, including but not limited to any approval granted by the City Council, Planning Commission, or Design Review Board concerning this project. The City shall promptly notify the applicant of any claim, action or proceeding and should cooperate fully in the defense thereof.

Hilton Waterfront Beach Resort Expansion

Huntington Beach, California



CONDITIONAL USE PERMIT SUBMITTAL PACKAGE

December 11, 2009



Manage | Finance | architectum | interessed

WATG





ØGTHE RÖBERT MAYER CORPORATION 680 NEWPORT CENTER DRIVE, SUITE 1050 MAYER FINANCIAL, LTD. A Catifornia Unitled Partnetship APPLICANT

MAILING ADDRESS.

P.O. BOX 8680 NEWPORT BEACH, CA \$2656-4880 TELEPHONE NO.:

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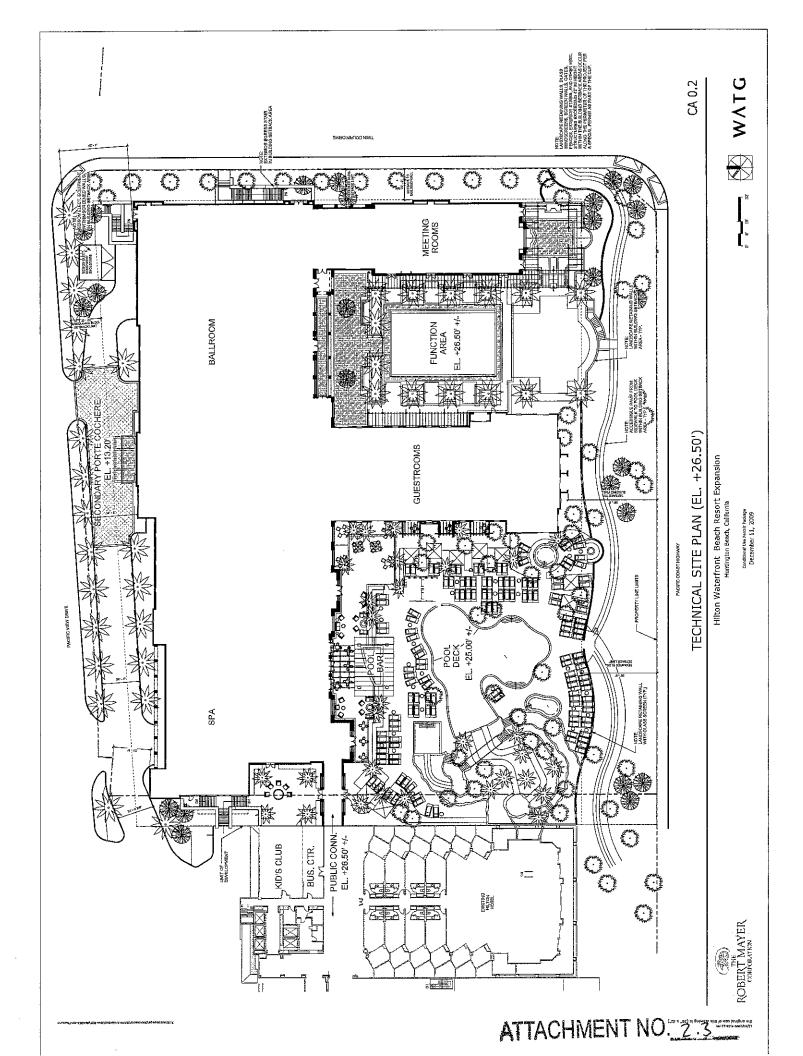
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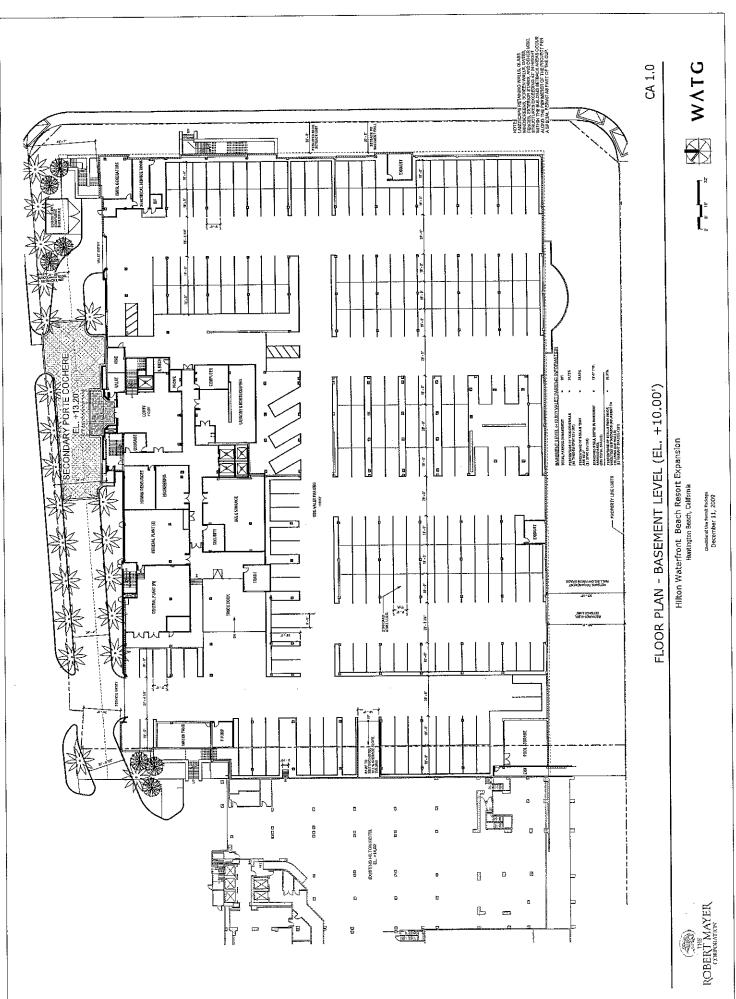
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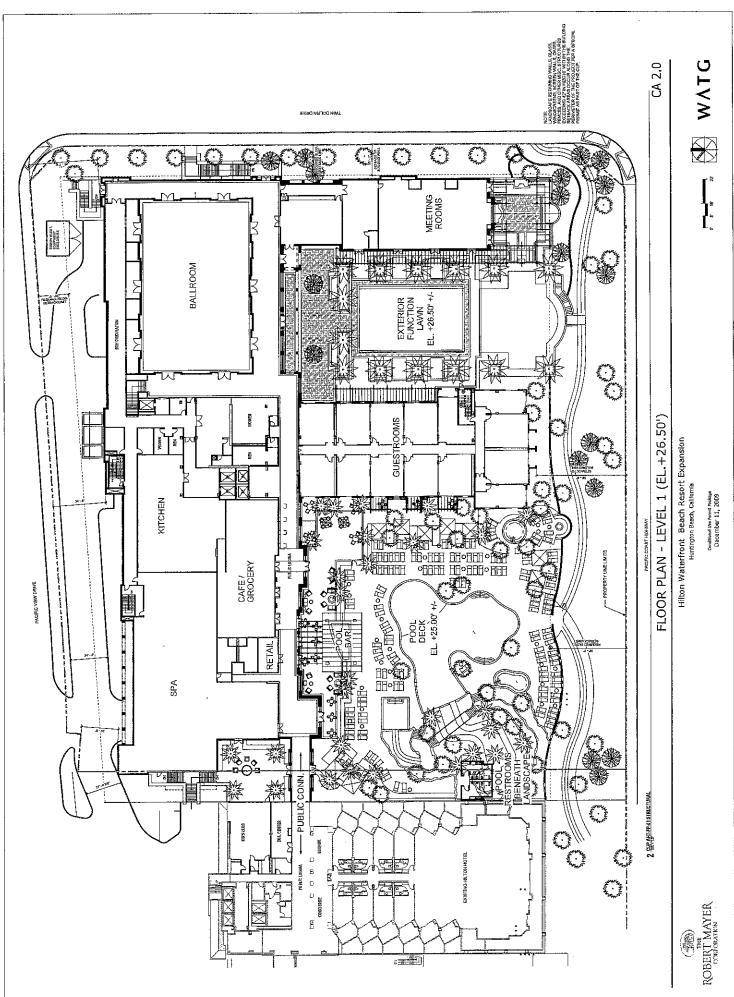
Hilton Waterfront Beach Resort Expansion Huntington Beach, California

Cordilonal Use Permit Package December 11, 2009

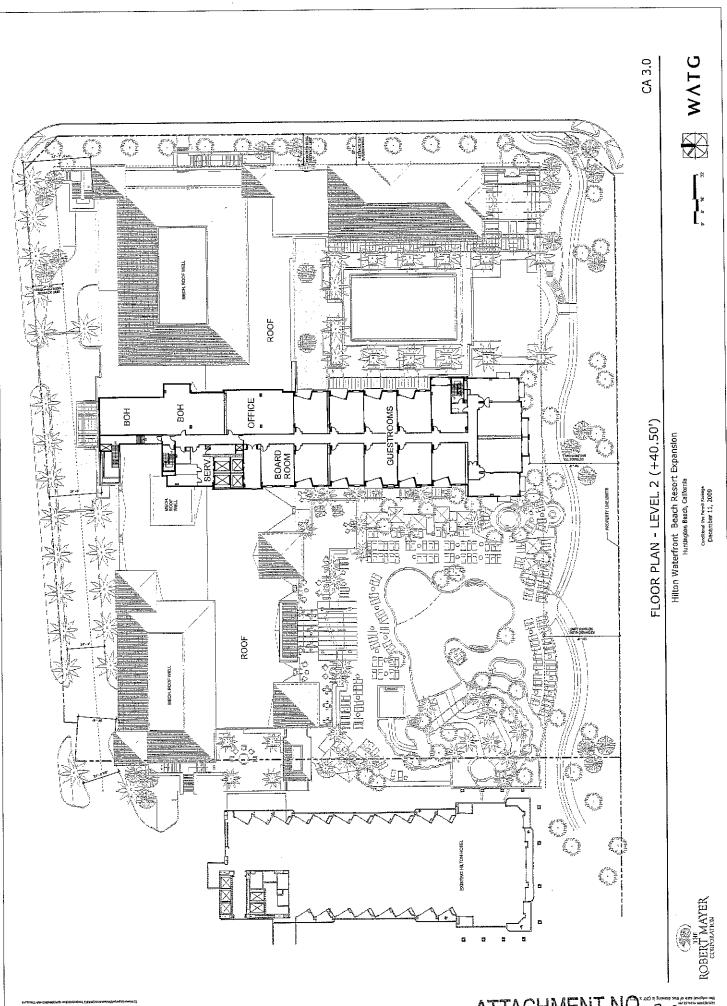
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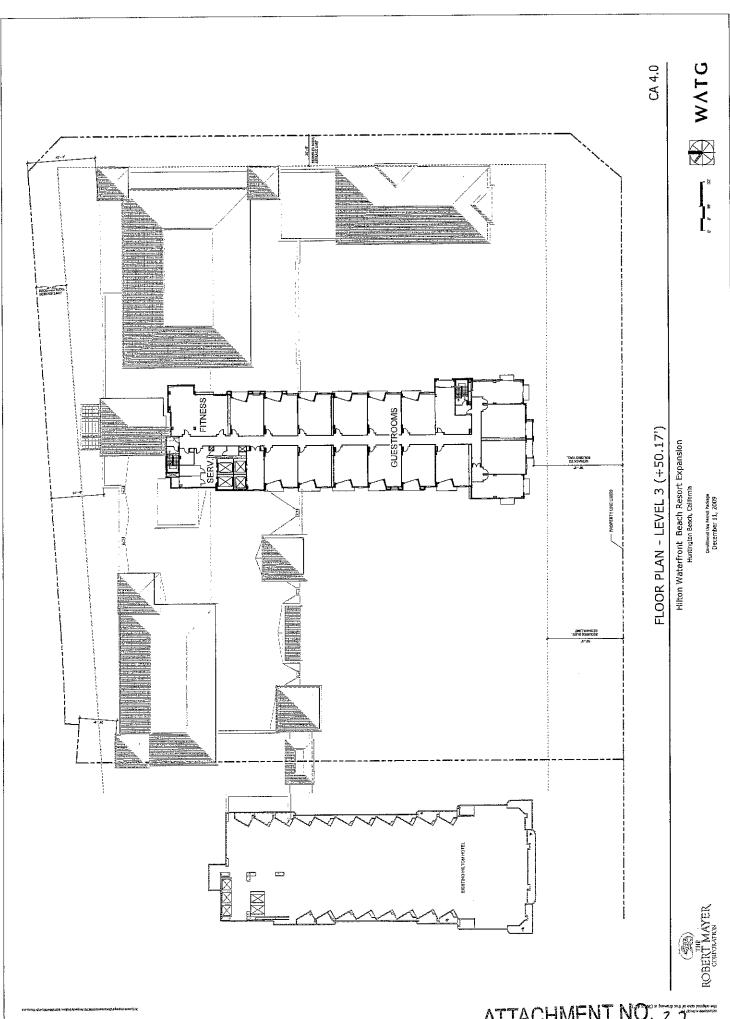


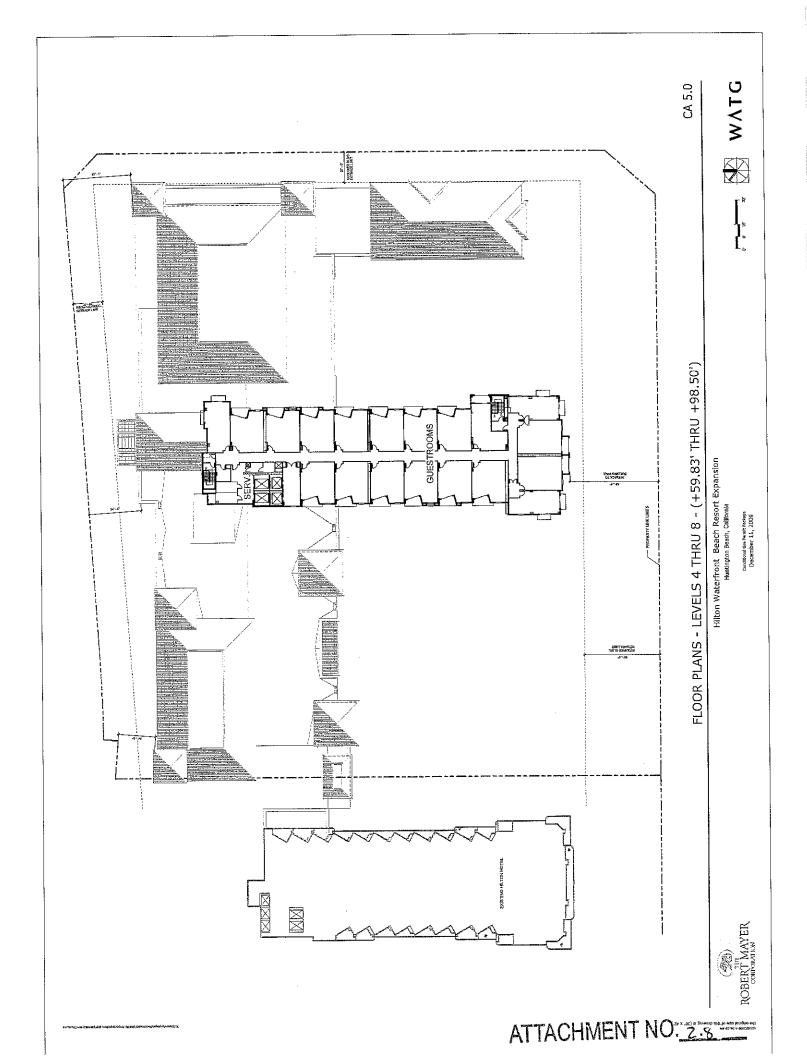


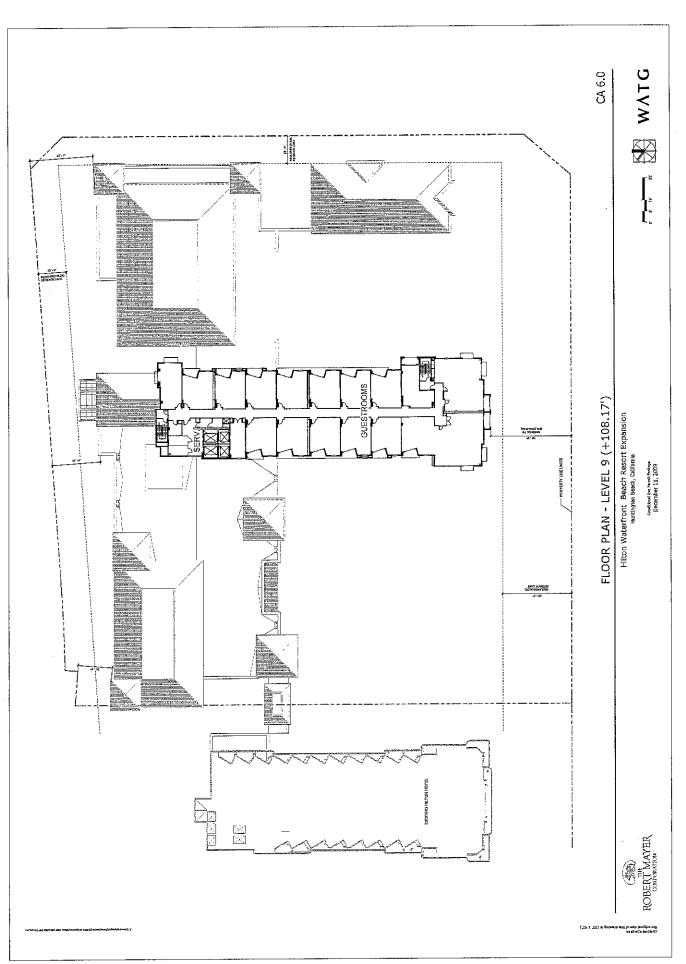
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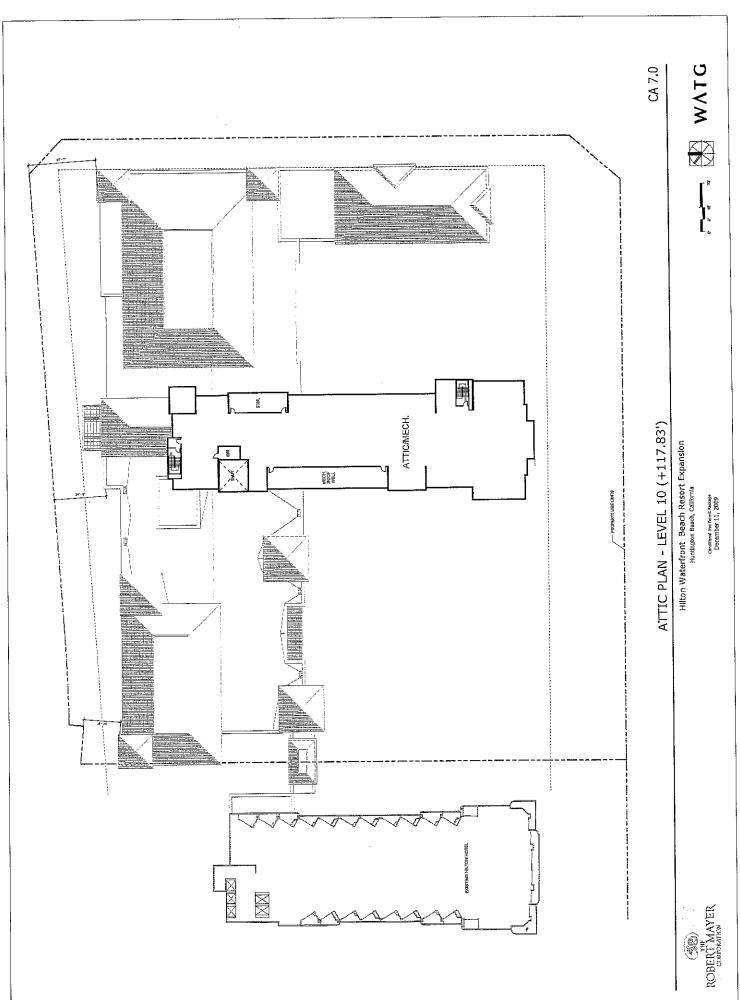


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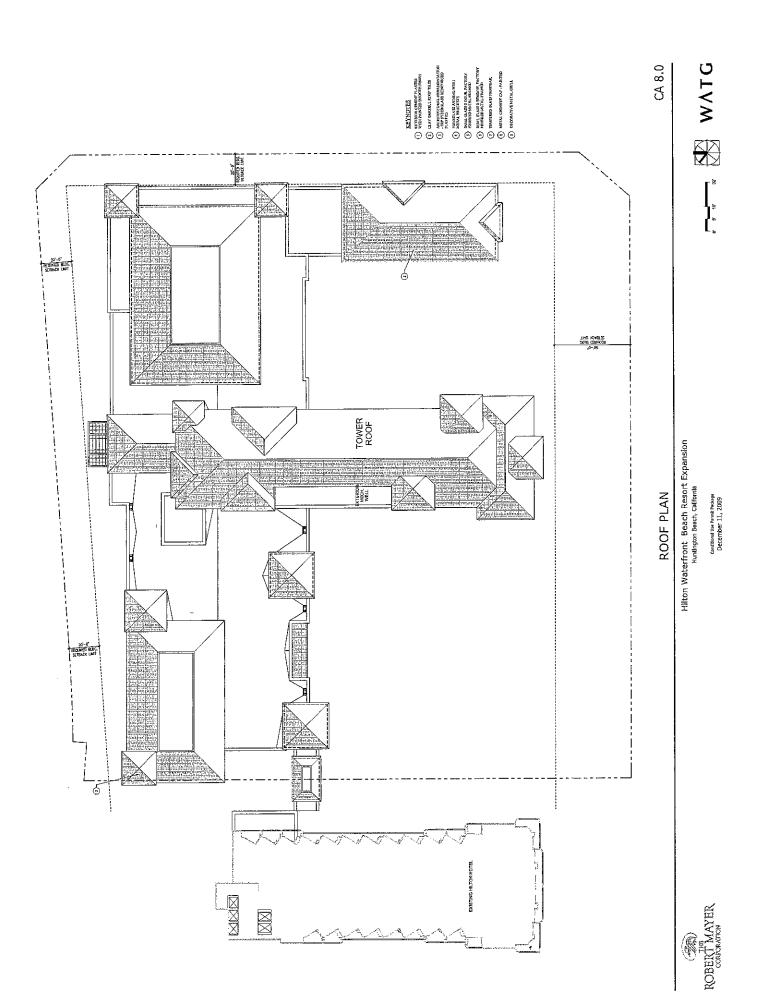


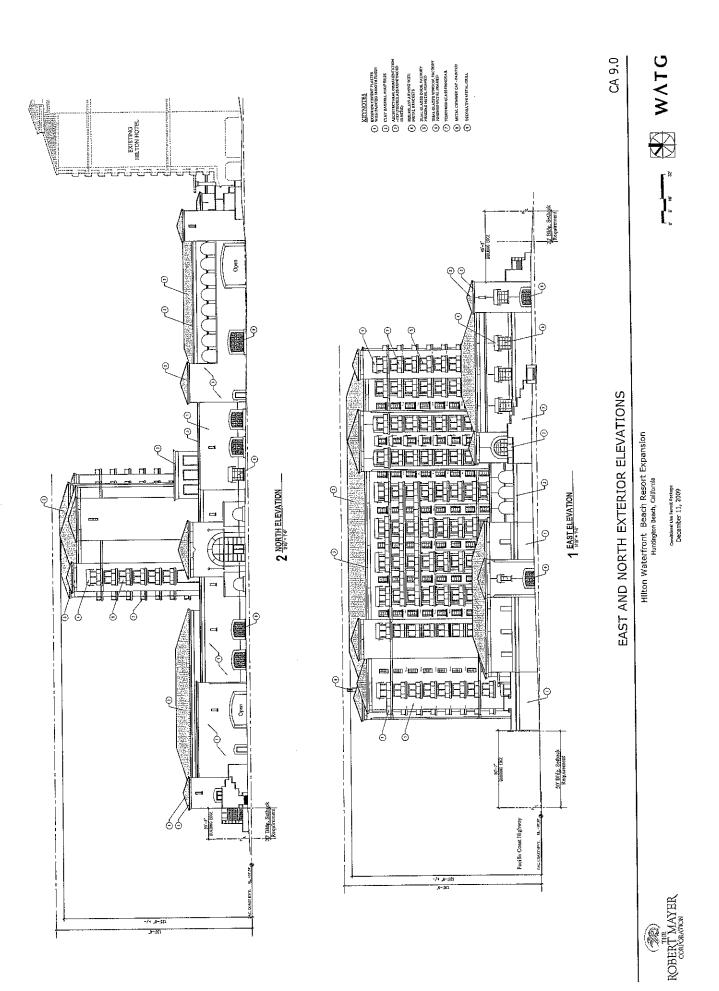


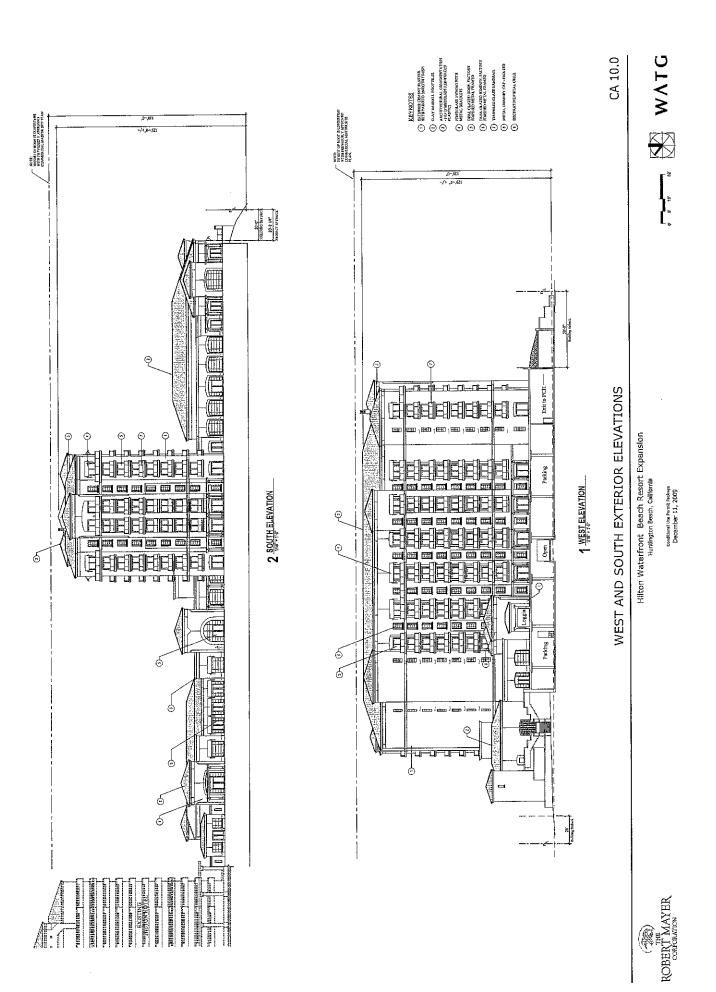




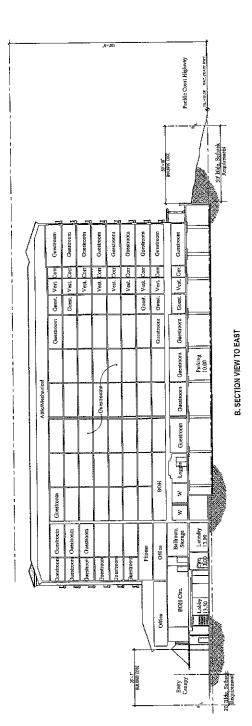
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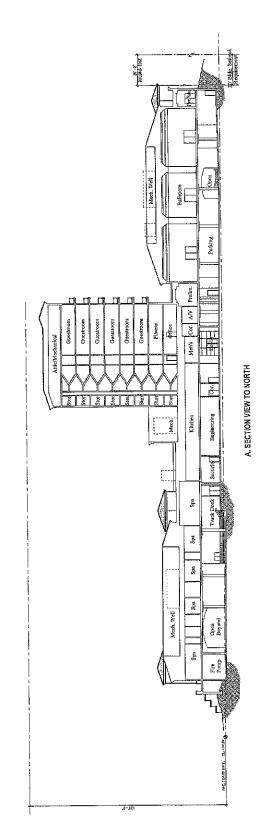






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BUILDING DESIGN SECTIONS

Hilton Waterfront Beach Resort Expansion Huntington Beach, California

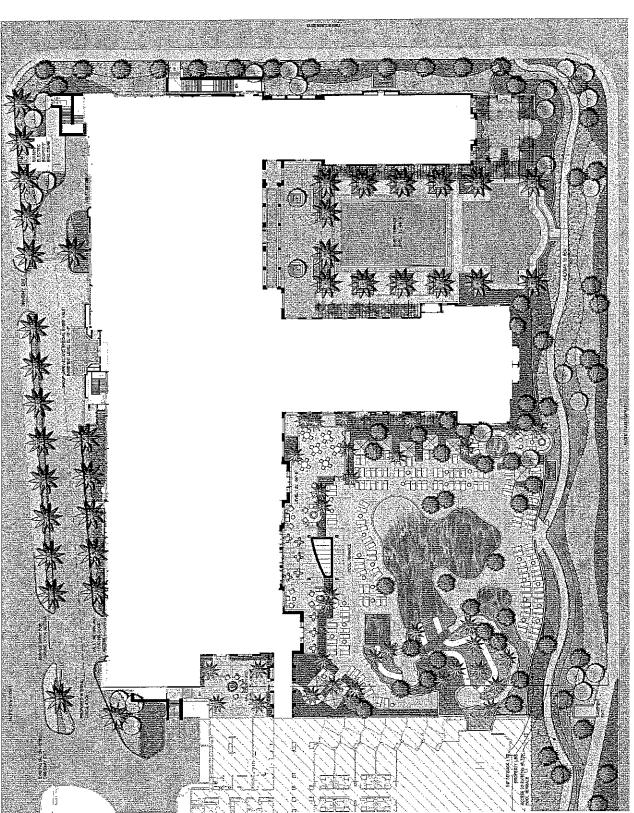
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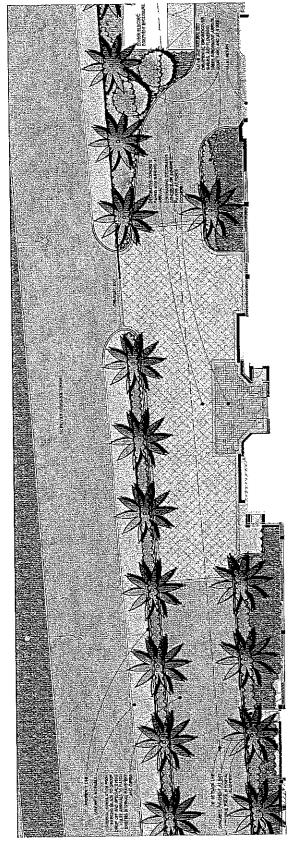
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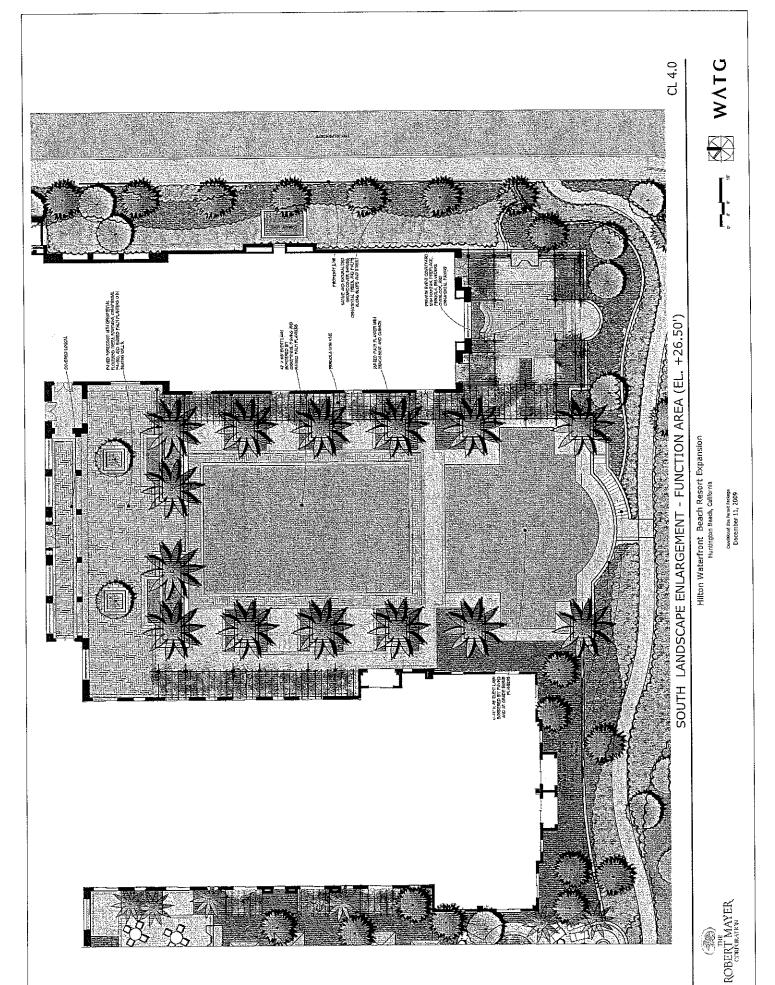
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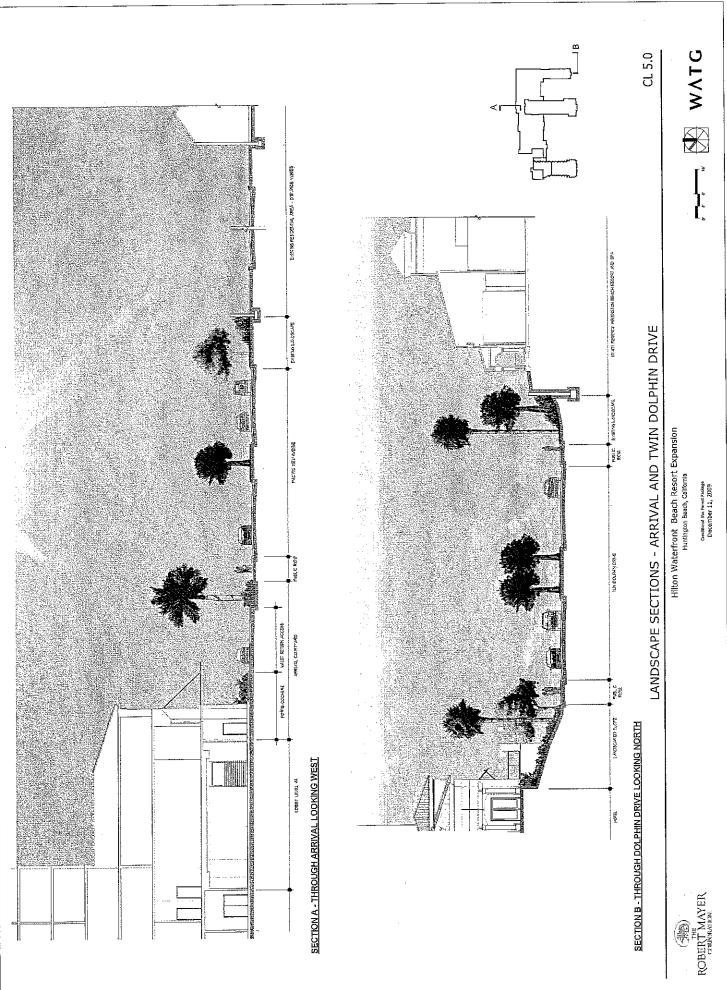


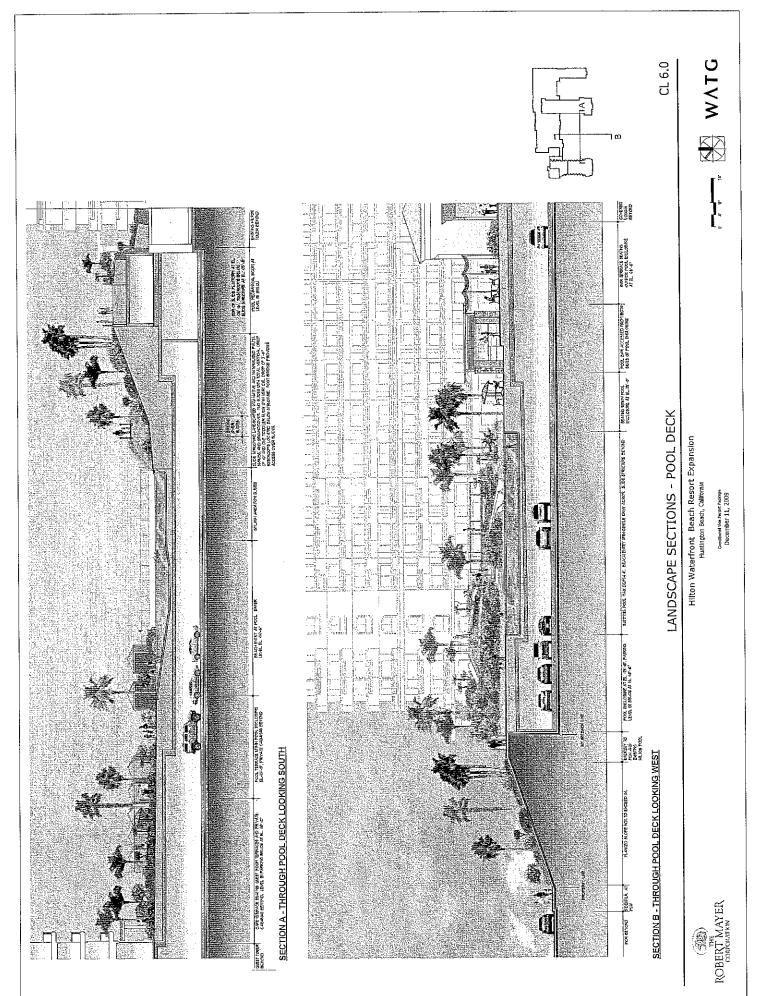
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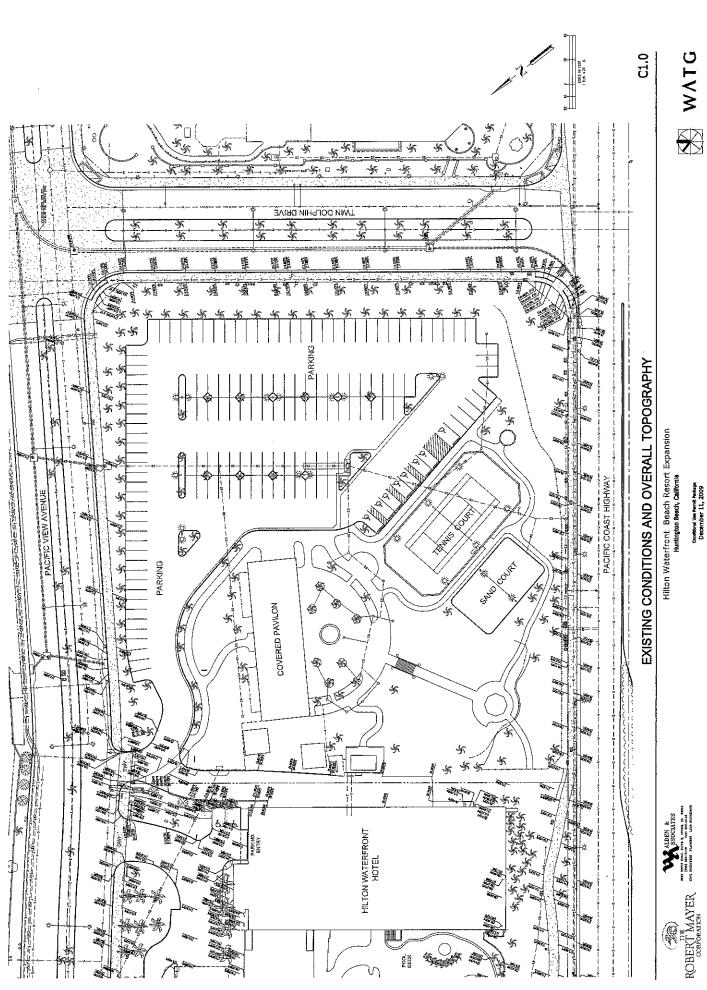
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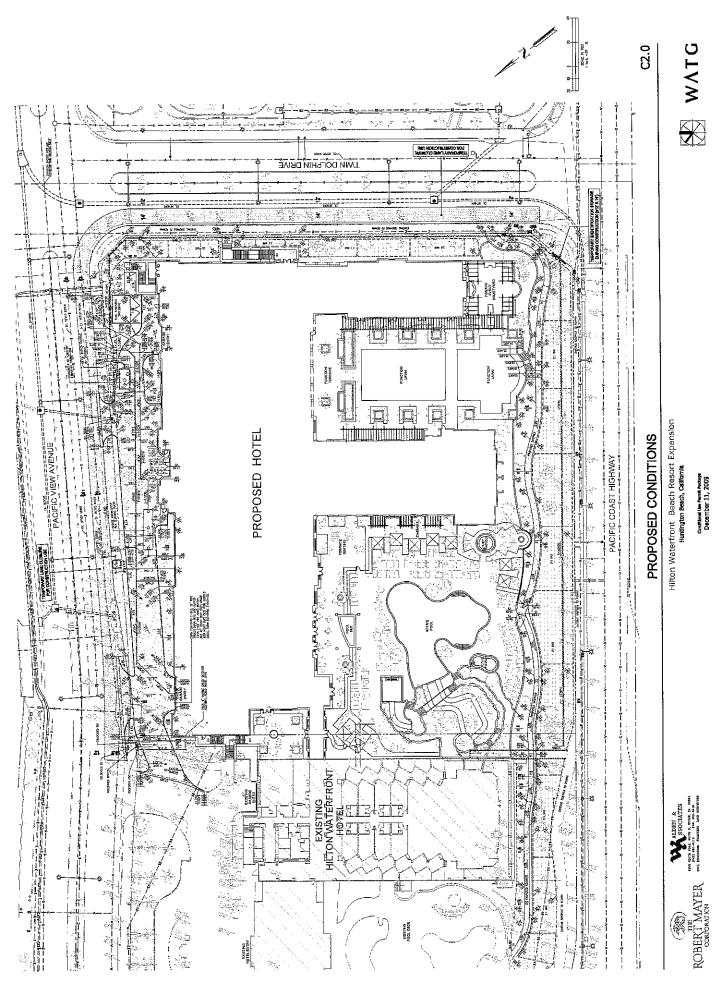








ATTACHMENT NO. 2.21





December 18, 2009

Mr. Scott Hess Director of Planning City of Huntington Beach 2000 Main Street Huntington Beach, California 92648 RECEIVED

DEC 182009

Huntington Beach
PLANNING DEPT

Re:

Conditional Use Permit / Coastal Development Permit Application

Expansion to the Existing Hilton Waterfront Beach Resort

Dear Mr. Hess:

We are pleased to provide the following narrative in support of the Conditional Use Permit application for the expansion of the existing Hilton Waterfront Beach Resort.

HISTORY OF THE WATERFRONT MASTER PLANNED DEVELOPMENT

The subject site represents the fourth and final phase of The Waterfront master planned development which was originally approved in 1989 and consists of the 290-room Hilton Waterfront Beach Resort ("Hilton hotel") which opened in 1990, the 517-room Hyatt Regency Huntington Beach Resort and Spa ("Hyatt Regency hotel") which opened in 2003, and the 184-unit Waterfront residential community which was completed in 2004. Development of The Waterfront and the subject site is being undertaken pursuant to the Amended and Restated Development Agreement between Mayer Financial, L.P., and the City of Huntington Beach dated September 21, 1998 (the "Development Agreement"), and the Amended and Restated Disposition and Development Agreement between Mayer Financial, L.P., and the Redevelopment Agency of the City of Huntington Beach dated September 14, 1998, as amended (the "DDA"). Additionally, on September 14, 1998, the City approved and adopted The Waterfront Commercial Master Site Plan as required under Downtown Specific Plan Section 4.11.02, which site plan details various parameters affecting the subject site, including maximum height, site coverage, and building square footage.

Previous environmental review for The Waterfront project consists of the following:

- Final Environmental Impact Report 82-2 prepared in conjunction with the adoption of the Downtown Specific Plan and certified by the City Council on July 18, 1983;
- Supplemental Environmental Impact Report 82-2 ("SEIR 82-2") prepared in conjunction with the approval of The Waterfront development and the Hilton hotel certified by the City Council on August 15, 1988;
- Addendum #1 to SEIR 82-2, prepared in connection with the Hyatt Regency hotel and certified by the City Council on September 14, 1998;

- Addendum #2 to SEIR 82-2, prepared in connection with The Waterfront residential community, which was certified by the City Council in 2002; and
- Environmental Impact Report 08-001 for the Downtown Specific Plan Update which was certified by the City Council on November 2, 2009.

SITE DESCRIPTION

The subject development site consists of the combination of Lot 2 of Tract 15535 (3.55 acres) plus an approximately 20-foot wide strip of land on the eastern edge of Lot 1 of Tract 13045 (0.16 acres), for a total building site of approximately 3.71 acres.

The site is bounded on the north by Pacific View Avenue, on the east by Twin Dolphin Drive, on the south by Pacific Coast Highway, and on the west by the existing Hilton Waterfront Beach Resort.

DOWNTOWN SPECIFIC PLAN DESIGNATION

The subject development site is located within what historically has been designated as District 9 of the Downtown Specific Plan ("DTSP"). In November of 2009 the City Council approved an amendment to the DTSP which revised the district designations; under this amended plan the site is located within District 3. No material revisions to the land use and development standards affecting the subject site were made in this amendment. The amended DTSP has not yet been certified by the California Coastal Commission; therefore, references to the DTSP and its designations and sections in this letter refer to the version of the Downtown Specific Plan existing prior to the November 2009 amendment.

EXISTING HILTON WATERFRONT BEACH RESORT

The existing Hilton Waterfront Beach Resort is a full-service, first-class resort hotel consisting of 290 guestrooms in one twelve-story tower, approximately 13,250 net sq. ft. of meeting space, one full-service restaurant, one deli-style casual dining outlet, a club lounge, a gift shop, pool, jacuzzi and other miscellaneous amenities, back-of-house support facilities, and two subterranean levels of parking.

DESCRIPTION OF PROJECT AND SERVICES

Integrated Expansion

The proposed project as described below will be an expansion of the Hilton Waterfront Beach Resort and will be operated by hotel staff and used by the public as one fully integrated resort hotel. Guests will normally continue to enter the expanded hotel via the existing porte-cochere and entry lobby of the existing hotel. The expanded facilities will additionally provide a

¹ Calculations of open space, site coverage, etc. contained elsewhere in this narrative and on the Conditional Use Permit submittal drawings are presented based on this combined acreage. One may alternatively calculate such development parameters based on only the area of Lot 2 of Tract 15535, which will result in an insignificant variation in such statistics.

secondary porte-cochere entry that is intended as an optional drop-off and pick-up point for attendees of designated ballroom events and for occasional corporate group check-in or departure.

Architectural Style

The proposed architectural style of the expansion project is contemporary Mediterranean with arched windows, tile roofs, open walkways, and ocean view courtyards with panoramic views, and is in compliance with the City's Downtown Design Guidelines. The overall building forms, architectural details, colors, landscaping, and style are intended to be consistent with the existing property. The overall goal is to provide a seamless addition to the existing hotel, so that the guest experience is that of a fully integrated project without the appearance of an old and a new phase.

The existing Hilton hotel guestrooms on both sides of the tower enjoy angled sliding glass doors oriented to the ocean that serve to create a more panoramic ocean view for the guest. The proposed expansion tower similarly provides for angled sliding glass doors at most all guestrooms to enhance the view orientation. This design theme has been carried from the existing guestroom tower to the proposed expansion to reinforce the consistency of the expansion with the existing facilities.

Additionally, similar to the manner in which the Hyatt Regency Huntington Beach Resort and Spa enjoys multiple courtyards with differing features and uses, the completed property will contain three courtyards facing the ocean, all accessible from the main public corridor traversing the property, as follows:

- The existing westward Hilton hotel pool deck will remain and is expected to become a
 quieter, more adult-oriented pool experience, with frequent use for poolside dining and
 cocktail events.
- The new central main pool deck will feature a larger family-oriented pool with waterslides, generous deck space, and a gently sloping "beach entry" to the pool. Though located between the two guestroom towers, this main pool deck will be approximately one-third greater in area and width than the existing Hilton hotel pool deck, providing panoramic ocean views and a very spacious guest experience.
- By placing the new guestroom tower in the center of the site, a new eastern courtyard will be created that will provide a large patio and function lawn for pre-function gatherings, outdoor dining events, and weddings. A smaller patio nearest the corner of Pacific Coast Highway and Twin Dolphin Drive will provide a more intimate outdoor location for smaller weddings, receptions, and social gatherings in combination with the adjacent meeting room. Since the new ballroom, meeting rooms, and this third courtyard will be separated from the central main pool by the new guestroom tower, large-scale meetings and outdoor events may occur without influencing the experience of those guests enjoying the rest of the hotel.

Lastly, the expansion project's landscape design will be a consistent and logical extension of the existing landscaping of the Hilton hotel, including the use of mature palm trees, lush shrubbery and groundcover, and pockets of colorful seasonal plantings.

Minor Modifications to the Existing Hotel

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Various minor modifications to the existing Hilton hotel will be made in order to provide a fully integrated resort hotel experience for guests. Such modifications, which are shown on the Conditional Use Permit submittal drawings, include the following:

- A new public corridor connection to the expanded facilities will be provided on the main hotel level. The modifications will primarily consist of the removal of an existing fitness room plus two guestrooms to accommodate a new corridor through the base of the existing guestroom tower.
- Three existing guestrooms adjacent to the new corridor will be converted to other uses, for a total loss of five guestrooms in the existing guestroom tower.
- A vehicular connection between the existing upper parking garage level and the new garage facility will be provided in order to allow efficient movement of vehicles by the valet parking staff.
- A new pedestrian walkway connecting the existing swimming pool deck to the new swimming pool deck in front of the existing guestroom tower will be provided to allow guests to move between the two pools without being required to re-enter the interior corridors of the hotel.
- Various landscaping and walkway revisions at the interface of the existing guestroom tower to the new expansion project will be made in order to provide a seamless joining of the expanded facilities to the existing hotel property.

Expansion Project Components

The expansion project will consist of the following new components:

- A new nine-story guestroom tower providing a total of 156 new guestrooms. The majority (125) of the new guestrooms will be in an open suite configuration providing a sleeping and bath area separated from the entry and seating area. The remaining (31) guestrooms will be in a conventional hotel room configuration. Five existing conventional guestrooms in the existing tower will be converted to a public corridor and other uses, resulting in a net increase of 151 guestrooms. (Together with the existing 290 guestrooms of the existing hotel, minus five guestrooms that will be lost as described previously, the guestroom count of the total facility will total 441.)
- Approximately 13,700 net interior sq. ft. of meeting space consisting of the following:
 - A multi-divisible ballroom of approximately 8,500 sq. ft.,
 - · A multi-divisible meeting room of approximately 3,300 sq. ft.
 - A main floor board room of approximately 1,300 sq. ft.
 - · A second floor board room of approximately 600 sq. ft.

- A full service business center providing copying, delivery, and computer services that will be located within converted guestrooms of the existing tower adjacent to the new corridor.
- A casual dining restaurant providing both indoor and outdoor seating and delivery service to poolside guests.
- A combined grocery/gift store and coffee shop with "grab and go" deli sandwiches and bakery items.
- · A secondary retail and recreational services shop.

- A children's club room providing supervised play and entertainment areas for children of
 guests that will be located within converted guestrooms of the existing tower adjacent to
 the new corridor.
- A resort health spa of approximately 8,000 sq. ft. providing separate men's and women's lockers, steam, sauna, and jacuzzi facilities, with a total of twelve treatment rooms.
- A separate fitness and exercise facility providing cardio and weight-training equipment for all guests of the hotel.
- An outdoor function lawn providing a venue for outdoor pre-function, reception, dining, and wedding events. A smaller more intimate outdoor garden patio is also provided for smaller weddings and events.
- A main pool deck with generous deck space, a large family-oriented pool including two
 large waterslides and a gently sloped "beach entry," a smaller slide and pool for younger
 children, and two jacuzzi pools.
- An outdoor pool bar for beverage service accessible from both the main public corridor
 and the pool area. Casual outdoor seating with umbrellas and awnings will complement
 the pool bar and also serve to provide additional outdoor seating for the casual restaurant.
- A secondary porte-cochere entry off Pacific View Avenue that is intended as an optional drop-off and pick-up point for attendees of designated events at the new ballroom and for occasional corporate group check-in or departure.
- One level of semi-subterranean parking with a loading dock and other back-of-house facilities. A vehicular connection to the upper level of the existing garage will also be provided.

Parking

Parking will be provided in the expansion project in one level of 100% valet parking below the main public level of the building. (Both the existing Hilton hotel and the Hyatt Regency hotel operate with 100% valet parking.) A total of 261 designated parking spaces are provided in this new parking level. Additional valet car stacking capacity exists per the discussion below, increasing the parking capacity provided in the expansion project by approximately 61 vehicles to a total capacity of approximately 322 vehicles.

Designated Parking Spaces

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In February 1994, a parking demand analysis was conducted by LSA Associates, Inc., for the existing Hilton hotel in connection with entitlements for the pavilion tent now existing on the subject site. That study determined that if the hotel experienced simultaneous 100% occupancy of all guestrooms, meeting and ballroom areas, and restaurant, a parking demand would be generated of 1.47 spaces per guestroom, an amount that exceeded the onsite parking supply by 97 spaces. (It should be noted that 100% simultaneous occupancy of all guestrooms and other facilities is an extremely rare circumstance and the typical parking design practice for first-class hotels necessarily assumes a more conservative calculation.) In any event, in Section 3.1.2.3 of the Development Agreement it was agreed that the parking for the subject project would be determined at the rate of 1.1 spaces per guestroom (including all uses within the hotel) plus an additional 97 spaces, or as otherwise reduced by an updated parking demand analysis. Given a net increase of 151 guestrooms in the expansion, this initial agreed requirement calculates to a total of 263 parking spaces being required. Therefore, the number of designated parking spaces in the proposed expansion plan garage is substantially in compliance with the Development Agreement requirement.

The rate of 1.1 spaces per guestroom including all additional uses within the hotel such as meeting rooms, restaurant, etc. as referenced above was the original minimum code requirement applicable to the existing Hilton hotel (HB Ord. Code 9606(a)H., effective 8/88). Pursuant to the Development Agreement which establishes that the applicable code provisions are those in existence as of the effective date of the agreement (November 1988), the rate of 1.1 guestroom per unit is also the minimum parking rate requirement applicable to the subject expansion project. Currently at the existing Hilton hotel there are 321 designated parking spaces, of which four would be lost to accommodate the vehicular connection planned and one of which would be regained as a result of the removal of some mechanical equipment, resulting in 318 designated parking spaces. Thus, together with the 261 designated parking spaces in the expansion garage, a total of 579 designated parking spaces will be provided in support of a total of 441 guestrooms, or 1.31 designated parking spaces per guestroom. This exceeds the minimum requirement per the code provision applicable to this project and is a number well within the range of typical parking provided for urban and suburban first class hotels and resorts.

Total Valet Parking Capacity

It is also fundamental to note that when the parking demand analysis was undertaken in 1998 the Hilton hotel allowed self parking; therefore, no consideration was given for the additional parking capacity that can be created by stacking of cars by a 100% valet operation. However, since approximately 2004 the Hilton Waterfront Beach Resort has operated using 100% valet parking services. This has resulted in notably improved security for the hotel and convenience for its guests and has increased the total parking capacity at the hotel significantly. The Downtown Huntington Beach Parking Master Plan Study prepared for the City of Huntington Beach by Kimley-Horn and Associates, Inc. dated March, 2009, stated that valet operations could increase parking capacity by 12-40% beyond the number of designated parking spaces.

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In order to more accurately assess the increase in parking capacity afforded by the 100% valet operation at the Hilton, the typical car stacking layouts used by the valet staff when conservatively employing stacking were assessed and mapped out in scale. It was determined that approximately 79 additional vehicles can be accommodated, or a gain of 25%. Further, the proposed new parking facility will also be operated on a 100% valet basis by the same parking staff. By applying similar conservative car stacking layouts to the new garage plan, it is concluded that the proposed expansion plan parking garage will accommodate approximately 61 additional vehicles, or a gain of 23%. In total for the combined parking facilities with consideration of valet parking, a total parking capacity of approximately 722 vehicles will result, or 1.64 vehicles per guestroom, far in excess of that typically provided for first-class hotels of this nature. Further, 1.64 vehicles per guestroom is also far in excess of the maximum parking demand of 1.47 vehicles per guestroom at the existing Hilton hotel projected by LSA Associates in their 1994 study of demand assuming 100% occupancy of the ballroom, meeting rooms, restaurant and guestrooms.

CONFORMANCE TO DTSP AND APPROVED COMMERCIAL MASTER SITE PLAN

The project complies with the requirements of the DTSP, including the amended DTSP currently pending before the California Coastal Commission, and with the approved Commercial Master Site Plan. A zoning conformance table regarding the land use and development standards is included on the drawing submittal. Following is a discussion of certain key requirements:

Maximum Density

The DTSP establishes a maximum floor area ratio ("FAR") of 3.0 for District #9. The approved Commercial Master Site Plan for District #9 established an FAR of 1.2 and a total building area (excluding parking) for the subject project was projected to be 275,000 sq. ft.

The building area for the proposed project is approximately 215,000 sq. ft., which yields an FAR of 1.39 if the calculation is based solely on existing Lot 2 of Tract 15535 and 1.33 if the calculation is based on Lot 2 plus the 20-foot strip of land on the eastern edge of Lot 1 of Tract 13045—see discussion under the heading of "Site Description" above. These figures are significantly below the maximum permitted FAR and projected building size for the subject site and they comply with both the DTSP and the approved Commercial Master Site Plan.

Maximum Height

The DTSP does not provide a maximum height limit in District #9. The approved Commercial Master Site Plan established a maximum height of 130' measured from the roof eave of the building to Pacific Coast Highway (the height of the existing Hilton twelve-story tower roof eave).

The new nine-story guestroom tower will have greater floor to ceiling heights on each level than the existing twelve-story tower, making its height approximately equivalent to the existing tower's eleventh floor and approximately ten feet less than the maximum height measured at the roof eave. Therefore, the proposed project is in conformance with the approved Commercial Master Site Plan.

Conational Use Permit Narrative Expansion to the Existing Hilton Waterfront Beach Resort

Maximum Site Coverage (Buildings)

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The DTSP originally established a maximum site coverage ratio of 35% of the net site area for District #9. However, recognizing the significant reduction in scope and impacts from the earlier approved master plan, The City of Huntington Beach approved an amended Commercial Master Site Plan on September 14, 1998, which contained approved site coverage ratios in excess of 35%. In the staff's request for Council action on the subject it was stated that per the amended master plan the subject site could be developed with a site coverage ratio of "approximately 44%". The approved master plan contains a projected calculation of 42.8% for the subject site.

The proposed project complies with the approved Commercial Master Site Plan by providing a site coverage ratio of 40.4%. No Special Permit for this issue is requested herein as the approved Commercial Master Site Plan supersedes the DTSP on this issue.

Maximum Site Coverage (Parking & Vehicular Accessways)

The DTSP establishes that a maximum of 25% of the net site area may be used for parking and vehicular accessways. The approved Commercial Master Site Plan contains a projected calculation of 9.9% for such use.

The proposed project complies with both the DTSP and the approved Commercial Master Site Plan by providing a site coverage of parking and vehicular accessways of 6.3%.

Setbacks

The DTSP establishes 20' setbacks along Pacific View Avenue and Twin Dolphin Drive and a 50' setback along Pacific Coast Highway. The project's buildings comply with these setback requirements.

As described more fully later in this narrative, a special permit is sought to allow various miscellaneous landscape retaining walls, glass windscreens, and other miscellaneous structures exceeding 42" in height within the setback areas. Such special permit is consistent with and of the same character as similar special permits previously issued in connection with the existing Hilton and Hyatt Regency hotels.

Open Space

The DTSP establishes a minimum open space requirement of 30% of the net site area (with a minimum dimension of 25'). The approved Commercial Master Site Plan projects an open space for the subject project of 41.1% (with a minimum dimension of 25') plus an additional 6.2% of miscellaneous open space, for a total open space of 47.3% of the net site area.

The proposed project complies with both the DTSP and the approved Commercial Master Site Plan by providing open space equal to 43.4% of the net site area (with a minimum dimension of 25') plus an additional 9.9% of net site area devoted to miscellaneous open space, for a total open space area of 53.3%, significantly above the minimum requirements.

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Building Bulk

Other than the density/FAR/building height/site coverage/setback/open space requirements referred to above, the DTSP does not set forth standards to address "building bulk". However, the approved Commercial Master Site Plan includes a diagram indicating approximate locations of the building on the site and also indicating a maximum height for the low-rise portion of the structure to be up to 4 stories and 70 feet in height measured from the roof eave of the building to Pacific Coast Highway.

The proposed project complies with and substantially improves upon the approved Commercial Master Site Plan in this regard. The low-rise portion of the proposed building consists of one occupied floor that varies in height from approximately 30-40 ft. measured from the roof eave of the building to Pacific Coast Highway, approximately one-half of the maximum height for the low-rise portion identified in the approved Commercial Master Site Plan. The elevations for the proposed building also provide considerably greater variation in massing along Pacific View Avenue than that characterized in the approved Commercial Master Site Plan. enhancements will significantly reduce the appearance of bulk for the buildings from the street elevation in comparison to the size of building otherwise permitted under the approved Commercial Master Site Plan. It is additionally noted that the proposed project relocates the tower to the center of the site instead of its being placed at the eastern side of the site against Twin Dolphin Drive as originally represented in the Commercial Master Site Plan. This revision improves the view corridor of Twin Dolphin Drive, reduces the adjacency of the tower to the residential units northward of the site by aligning it with an existing residential street cul-de-sac, and also creates an additional function courtyard within the project for the benefit of the hotel and its guests.

CONFORMANCE TO DEVELOPMENT AGREEMENT AND DDA

The Development Agreement for The Waterfront project provides in Section 3.1.1.1(d) that the subject project shall conform to Option 1 or 2 for the Phase 3 Permanent Use as set forth in the Commercial Master Site Plan. The approved Commercial Master Site Plan provides for either (1) a 300-room first class hotel, or (2) a 150-room first class all-suite hotel.

The DDA for The Waterfront project provides in Section 101 that the subject site shall be developed with a new hotel, or an addition to the existing Hilton hotel, with a minimum of 200 guestrooms and a maximum of 300 guestrooms, or in the alternative a minimum of 125 suites in an all-suites hotel development.

The proposed project is in conformance with the potential uses for the site specified in the Development Agreement and the DDA. The subject project contains 125 guestrooms in a suite configuration, and 31 guestrooms in a conventional hotel room configuration. Five existing conventional guestrooms in the existing tower will be converted to a public corridor and other uses, resulting in a net increase of 151 guestrooms, exceeding in either case the minimum guestroom counts set forth in the approved Commercial Master Site Plan and the DDA.

Additionally, it should be noted that the City entered into the Development Agreement for the purpose of providing certainty to the developer that it may develop the project. This certainty is

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Conditional Use Permit Narrative Expansion to the Existing Hilton Waterfront Beach Resort

also desirable to the City and Redevelopment Agency since the economic structure of The Waterfront project is based on a full build-out of the project in a manner consistent with the Scope of Development in the DDA and the approved Commercial Master Site Plan. Therefore, Section 3.1.1.1(d) of the Development Agreement, while allowing the City discretion with respect to the approval of the proposed project, also requires that the City's rejection, if any, of any entitlement for this project would be necessarily based on a finding that (i) the requested permit is not substantially in compliance with or of the same character as the prior approvals issued for The Waterfront project, (ii) the design of the proposed project is incompatible with the quality or character of the neighboring commercial uses, or (iii) there is, as a result of the proposed project, a genuine, significant unmitigatible impact to the environment (other than general growth management issues) not previously disclosed, or readily known, at the time of the prior approvals issued for The Waterfront project.

Lastly, it is noted that Sections 2.3, 3.1.1, and 3.1.3.1 of the Development Agreement establish that the applicable code provisions for the project are those in existence as of the effective date of the original development agreement, which was November 2, 1988.

REASON FOR APPLICATION

The reason for this application is to allow completion of the final phase of The Waterfront master planned project. Although other larger independent hotel development options are allowed under the Development Agreement, a modest expansion of the existing Hilton Waterfront Beach Resort as is proposed is the option with the most likelihood of attracting financing in the future due to the long-term and on-going success of the existing hotel.

POPULATION SERVED

The Hilton Waterfront Beach Resort is host to a wide array of corporate groups, social organizations, individual business and vacation travelers from around the world, as well as local residents of Huntington Beach. The population served by the proposed expansion project is the same.

EXISTING INTERIM USE

On August 25, 1998 the Planning Commission of the City of Huntington Beach approved Conditional Use Permit No. 98-9 and Coastal Development Permit No. 98-6 for interim uses on the subject site consisting of a pavilion tent for social events, a function lawn and wedding gazebo, one tennis court, one volleyball court, and surface parking. Those uses currently remain on the site but will be removed in their entirety when the proposed project commences construction.



SURROUNDING USES

North: Residential (earlier phase of The Waterfront development)

East: Hyatt Regency Huntington Beach Resort & Spa (earlier phase of The

Waterfront development)

South: Pacific Coast Highway, parking, and beach beyond

West: Hilton Waterfront Beach Resort (earlier phase of The Waterfront development)

DANCING, LIVE ENTERTAINMENT, ALCOHOL SALE, AND CONSUMPTION

The proposed project is anticipated to provide dancing, live entertainment, and sale and consumption of alcoholic beverages at the food and beverage outlets, ballrooms, meeting areas, lounges, pool deck, and function lawns at the project in the same high-quality manner as currently offered at the existing Hilton and Hyatt Regency hotels. It should be noted that all areas where such activities occur are either indoors or at courtyards and pool decks facing the ocean which are screened from existing residential uses to the north by the hotel buildings.

Pursuant to Sections 3.1.2.1 and 3.1.2.2 of the Development Agreement, the subject expansion is permitted to similarly provide dancing, live entertainment, and sale and consumption of alcoholic beverages in accordance with the City's ordinances, regulations, rules, and official policies in force as of the Effective Date of the original development agreement (November 2, 1988) and the City's reasonable review of location, type of use, and other similar factors to assure a continued high-quality Project that is compatible with neighboring residential and commercial uses.

GRADING

The subject site varies in topography but on average is at an existing grade elevation that is similar to the elevation of the parking level of the project. It is expected that the site will be approximately balanced such that there will not be the need to import or export significant quantities of soil to or from the site to initially construct the new building; however, approximately 5,000 cubic yards of import is estimated to be required for final landscaping topsoil and fine grading purposes.

FEMA BASE FLOOD ELEVATION

The site is classified as "Zone X" on the FEMA Flood Insurance Rate Map, indicating that it is above the Special Flood Hazard Area and is not subject to the 100-year base flood.

SPECIAL PERMITS

1. Setbacks-Miscellaneous Improvements Over 42" in Height

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The DTSP establishes minimum required setbacks for District #9 and it specifies that no structure over 42" in height may be constructed within the setback areas, excluding swimming pools, patios, walks, access drives, or similar paved areas. The proposed buildings comply with those setbacks.

However, as illustrated on the Conditional Use Permit submittal drawings, there are various landscape retaining walls, glass windscreens, screen walls, gates, fences, exterior stairways, and other similar miscellaneous structures greater than 42" in height within the building setback areas. A similar special permit was issued in connection with the Hyatt Regency hotel. These various encroachments into the setback areas are essentially unnoticeable, are consistent with the resort character of the project, are consistent with the improvements and prior permits issued for the existing Hilton and Hyatt hotels, and in most cases provide architectural elements that are a visual improvement to the project. The most noteworthy components are discussed in greater detail as follows:

Glass Windscreens

A glass windscreen will be located along the perimeter of the new main pool deck and function courtyard facing Pacific Coast Highway that will provide protection from the prevailing winds and additional sound attenuation from highway noise. In order to meander the course of this glass wall in and around the landscaping to provide a less obtrusive appearance, significant portions of it encroach into the setback along Pacific Coast Highway. However, the screen wall, being made of glass and located near the top of the slope above Pacific Coast Highway, is largely unnoticeable by the public.

Landscape Retaining Walls

It is necessary to increase the grade elevation of the project in order to match the existing main floor level of the Hilton hotel, to achieve ocean views from the project's new pool deck and public areas, to reduce the visual and noise impact of Pacific Coast Highway, and to construct semi-subterranean parking facilities that remain above the groundwater table. As a result, just like the existing Hilton and Hyatt Regency hotels, the project will be surrounded by landscaped slopes. At various locations around the project it is necessary to construct retaining walls which exceed 42" in height within the setback area in order to provide slope stability at large grade changes or where structures, stairways, or walkways are nearby. The locations where these retaining walls occur include occasional areas along Pacific Coast Highway and Twin Dolphin Drive and at the two eastern corners of the project. Some of these retaining walls will be integrated with other decorative planters, features, and structures. In addition, in some areas where walkways occur, ramps consistent with ADA requirements must be constructed which require retaining walls and handrails as they transition sloped areas. In all cases, the retaining walls will be integrated into the design of the project and will be essentially unnoticeable to the public, given the project's scale and lush landscaping.

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Exterior Exit Stair at Twin Dolphin Drive

On the eastern side of the project, retaining walls are necessary to support an exit stair down to the sidewalk at Twin Dolphin Drive.

Enclosure for Edison Equipment at Pacific View Avenue

Retaining and/or screen walls are necessary near the corner of Pacific View Avenue and Twin Dolphin Drive to screen the required Edison transformer and switch equipment from public view.

2. Tandem Parking

The proposed expansion parking garage contains approximately 35% tandem parking spaces. The use of tandem parking spaces provides a much greater efficiency in the use of limited space available for parking and, when combined with the planned 100% valet program, the tandem parking functions well from an operational standpoint. It should also be noted that approximately 40% of the tandem spaces are accessible from two sides, further increasing their utility.

The requested special permit is consistent with the special permit previously issued for the Hyatt Regency hotel which also contains 35% tandem spaces. The existing Hilton hotel garage also contains approximately 16% tandem spaces.

3. Parking Stall Dimensions, Clearances and Internal Ramp Slope

Section 231 of the Huntington Beach Zoning and Subdivision Ordinance ("HBZSC") contains requirements regarding the dimensions and clearances around parking stalls and the maximum slope for ramps in parking garages. The application of these parking standards to many buildings and stand-alone parking structures is straightforward, as structural columns and walls can normally be easily located around the dimensional constraints of parking stalls and ramp dimensions. However, in the case of a resort hotel, the column spacing is necessarily defined very tightly by the design of the guestrooms and meeting facilities, and therefore the parking spaces are laid out to most efficiently fit around the column spacing defined by the structure above. The structural grid created by these resort hotel uses causes constraints that are not found in most other structures or stand-alone facilities. Nonetheless, the 100% valet parking operation will eliminate any difficulty that hotel guests and visitors otherwise might experience in navigating vehicles within less than ideal parking stall dimensions or ramp slopes. A discussion of the three areas of variance from current standards is discussed below:

Parking Stall Dimensions

Section 231.14 of the HBZSO currently provides that parking stalls shall have dimensions that are 9' wide by 19' deep with a 26' wide drive aisle. The proposed drive aisles throughout the garage are 26' wide. However, due to the dimensional constraints established by the structural design of the building, approximately 32% of the parking stalls provide a dimension of 9' wide by 18' deep.

As referenced previously, the Development Agreement establishes that the applicable code provisions for this project are those codes in existence as of November 2, 1988. The applicable code provision for the minimum dimensions of parking stalls, Section

9605.1(a) (effective 8/88) of the then Huntington Beach Ordinance Code, provided that parking structures shall have stall dimensions that are a minimum of 8.5' wide by 18' deep with a 26' wide drive aisle. Therefore, the subject 18' deep parking stalls at the expansion project garage are in conformance with the applicable code provision as established by the Development Agreement. Additionally, it must be noted that the stalls within the existing Hilton garage are uniformly 18' deep as well. Further, as stated previously, the use of 100% valet parking eliminates any potential difficulties associated with this issue. Lastly, it is noted that a special permit is not technically required for this issue because the 18' deep stalls conform to the applicable code provision per the Development Agreement.

Parking Stall Clearances

Section 231.16.A of the HBZSO requires that the width of a parking stall be increased by 3' where the stall is adjacent to a wall or adjacent to a column located within more than 3' from the head or foot of such stall. The previously referenced Section 9605.1(a) (effective 8/88) applicable to the project required that the width of a stall be increased by 2.5' where the stall is adjacent to a wall, and only stated that stalls adjacent to columns may require additional width depending upon the size and location of the column. In any event, approximately 21% of the stalls in the proposed expansion garage do not provide a full 3' clearance to adjacent walls or columns. It is requested that a special permit be granted to allow these various miscellaneous variations in clearances because of the previously described structural constraints involved in the design of the proposed expansion garage. As stated previously, the use of 100% valet parking eliminates any potential hardship associated with this issue. Lastly, this special permit is consistent with a special permit issued for the same conditions existing at the Hyatt Regency hotel.

Internal Vehicular Ramp Slope

A vehicular connection between the upper level of existing parking at the Hilton hotel and the new expansion project parking is planned inside the garages. The garage decks will differ in height by 4', requiring a ramp in the new expansion garage for the connection. The location of the ramp has been set to minimize conflict with the parking space and drive aisle locations in both the existing and planned garage, which necessarily limits its length. The resulting average slope at this ramp is currently projected to be approximately 10.2%, slightly above the maximum slope of 10% for garage ramps per HBZSO Section 231.18.G.1. However, it is recognized that the precise slope is subject to final construction dimensions and, further, it would be preferable to start the top and bottom of the ramp at a lesser slope, resulting in a steeper slope in the mid portion of the ramp of approximately 13%. In order to allow design flexibility for an improved ramp design and allow for possible construction variances, it is therefore requested that a maximum slope of 13% be allowed. As has been previously noted, the garage will be a 100% valet operation and therefore the increased slope will not result in any difficulties for hotel guests or visitors.

TEMPORARY CONSTRUCTION ENCROACHMENT

Pacific View Avenue and Twin Dolphin Drive adjacent to the site provide two lanes of travel in each direction. Due to the scale of construction, which encompasses the entire site, and the lack of adjacent vacant land from which to stage equipment and construction materials, it will be necessary to temporarily encroach upon the right-hand lane of each street contiguous to the site during the period of construction. This will temporarily reduce the lanes of travel from two to one along the eastbound direction on Pacific View Avenue and along the southbound direction on Twin Dolphin Drive contiguous to the site. These streets currently operate at a traffic level far below their capacity and this temporary encroachment will not have a significant impact upon local street circulation.

REQUEST FOR EXTENDED TERM OF CONDITIONAL USE PERMIT

Section 241.16.A of the HBZSO provides that a Conditional Use Permit may be approved with a term greater than the default one-year term otherwise provided therein. Due to the current recession and exceptionally unpredictable condition of the financial markets, the applicant cannot project with any certainty the planned date for the start of construction of the project. However, it is certain that having an approved Conditional Use Permit provides a very important impetus to the project allowing the applicant to proceed ahead rapidly whenever construction financing becomes available. Additionally, the term of the development rights under the Development Agreement and the DDA may currently be extended by the applicant through 2013. Therefore, the applicant requests that the term of the Conditional Use Permit run concurrently with the term of its development rights under the DDA, i.e., the term be set to expire only upon the expiration of the development rights for the subject parcel as such expiration date is specified in the DDA, or as otherwise extended by its terms.

Thank you very much for your consideration. I look forward to the opportunity to answer any questions you may have.

Yours Truly,

Shawn K. Millbern, LEED AP

Senior Vice President

The Robert Mayer Corporation



June 16, 2011

Mr. Scott Hess Director of Planning City of Huntington Beach 2000 Main Street Huntington Beach, California 92648

Re: Minor Amendment to Amended and Restated Development Agreement

Dear Mr. Hess:

As you know, Mayer Financial, L.P. has previously filed an application for a Conditional Use Permit and Coastal Development Permit for the expansion of the existing Hilton Waterfront Beach Resort as the final phase of The Waterfront master-planned project. Additionally, this project is being developed pursuant to the Amended and Restated Development Agreement between Mayer Financial, L.P., The Waterfront Hotel, LLC and the City of Huntington Beach dated September 21, 1998 (the "Development Agreement"). We have now additionally filed an application for a Minor Amendment to the Development Agreement and we are pleased to provide the following narrative in support of this request.

BRIEF SYNOPSIS OF DEVELOPMENT AGREEMENT

The City previously determined that The Waterfront project was of such a size and scale that the Development Agreement was appropriate. The Development Agreement provides certainty for the City and Mayer Financial, L.P. as to the land use, density and intensity of development and provides the City with substantial benefits, including development which is of the aesthetic and economic quality desired by the community. The Development Agreement contains terms dealing with, among other things, the land use approvals and covenants applicable to the Site, vesting of rights, subsequent discretionary approvals, and the public improvements and utilities to be provided.

The Development Agreement provided for the development of the existing 290-room Hilton Waterfront Beach Resort ("Hilton hotel") which opened in 1990, the 517-room Hyatt Regency Huntington Beach Resort and Spa ("Hyatt Regency hotel") which opened in 2003, and the 184-unit Waterfront residential community which was completed in approximately 2004. The remaining phase of development under the Development Agreement consists of the parcel located between the Hilton hotel and the Hyatt Regency hotel, and pursuant to the current Conditional Use Permit and Coastal Development Permit application currently under review, an expansion of the Hilton hotel onto this remaining parcel is proposed.

SUBJECT PROVISION WITHIN THE DEVELOPMENT AGREEMENT - TERM

Section 4.2.4 of the Development Agreement provides for certain periods within which the phases of The Waterfront project may be completed before the Development Agreement terminates as to the subject phase. All but the final phase of The Waterfront project has been completed, and Section 4.2.4 currently states that the Development Agreement will terminate as to this final phase fifteen years from the Adoption Date of the Development Agreement. The Adoption Date of the Development Agreement is October 21, 1998 and therefore this provision currently provides for a termination date of October 21, 2013.

REQUEST

It is requested that the period of time for which the final phase of The Waterfront Project may be completed before the Development Agreement expires be extended from fifteen (15) years to twenty (20) years from the Adoption Date, i.e., to October 21, 2018. A draft proposed amendment document is provided with this narrative letter.

REASON FOR REQUEST

Mayer Financial, L.P., The Waterfront Hotel, LLC and The Redevelopment Agency of the City of Huntington Beach ("Agency") are also parties to a separate Amended and Restated Disposition and Development Agreement ("D.D.A."), which among other things, provides for the future conveyance of the land for the final phase of The Waterfront project in the form of a long term ground lease from the Agency/City to The Waterfront Hotel, LLC. In recognition of the severe economic recession and disruption of financial markets, on May 16, 2011 the City, Agency Mayer Financial, L.P. and The Waterfront Hotel, LLC entered into the "Fifth Implementation Agreement" to the D.D.A. The Fifth Implementation Agreement provides for additional extensions of time to commence and complete development of the final phase of The Waterfront project beyond the dates originally established in the D.D.A. and the Development Agreement. Specifically, the Fifth Implementation Agreement allows for annual extension to the date of commencement of this final phase extending to as far as December 31, 2016. Also, the Fifth Implementation Agreement provides a form of lease for the proposed expansion of the existing Hilton hotel that allows for a maximum of twenty-four months to complete the improvements, leading to a maximum outside theoretical completion date of December 31, 2018.

It is appropriate that the Development Agreement provide for a time period for completion of the final phase that is materially consistent with the time period established in the D.D.A. pursuant to the Fifth Implementation Agreement. The requested amendment to the Development Agreement provides that consistency.

CHAPTER 246.12 OF THE CITY'S ZONING & SUBDIVISION ORDINANCE

Section 1.4 of the Development Agreement memorializes that the City has previously found and determined that the findings required under Chapter 246.12 of the City's Zoning & Subdivision Ordinance for development agreements have been satisfied. Below are those findings contained within the Development Agreement with additional commentary provided:

1. The Development Agreement is consistent with the General Plan, the Specific Plan, and the Local Coastal Program.

The proposed amendment does not change the allowed uses at the site for which this determination has previously been made by the City. Although these plans have been amended from time to time following the Adoption Date of the Development Agreement, there has not been a change in any of these plans that materially affect the Site in a manner that would cause the Development Agreement to be inconsistent with these plans. Therefore, the determination remains true.

2. The Development Agreement is consistent with Chapter 246 of the Zoning Ordinance, the Municipal Code, and the State Subdivision Map Act.

The proposed amendment does not change any provision within the Development Agreement that would lead to an inconsistency with the referenced ordinance, code and act. Therefore, this determination which has previously been made by the City remains true. Further, the final phase of The Waterfront project (the expansion of the existing Hilton hotel) will be developed on a separate legal parcel previously subdivided in conformance with the State Subdivision Map Act.

3. The Development Agreement will not be detrimental to the health, safety and general welfare; and will not adversely affect the orderly development of property.

The proposed amendment does not change the allowed uses at the site; further, there have been no material changes to the land uses surrounding the site that could affect this prior determination. Therefore, this determination which has previously been made by the City remains true.

4. The City Council has considered the fiscal effect of the Development Agreement on the City and the effects on the housing needs of the region in which the City is situated and has balanced these needs against the public service needs of its residents and available fiscal and environmental resources.

The proposed amendment does not change the allowed uses at the Site for which this determination has previously been made by the City, and therefore it remains true. Further, the City Redevelopment Agency's Five Year Implementation Plan identifies the completion of The Waterfront development as a priority objective, and the expansion of the existing Hilton hotel is expected to provide new property tax increment, additional transient occupancy taxes, sales taxes, business license taxes and utility user tax revenues to the City.

GENERAL PLAN POLICY I-LU 7

Policy I-LU 7 of the General Plan regarding development agreements provides that:

"Where appropriate, the City may use Development Agreements as binding implementation tools. Development Agreements are authorized by State law to enable a city to enter into a binding contract with a developer that assures the city as to type, character, and quality of development and additional "benefits" that may be contributed and assures the developer that the necessary development permits will be issued regardless of changes in regulations."

Section 1.3 of the Development Agreement states in part:

"As a result of the development of the Site in accordance with the Original Development Agreement as amended and restated in this Agreement, the City will receive substantial benefits, including: commercial and residential development of an intensity or density and aesthetic quality desired by the community, additional employment opportunities, increased property and sales tax revenues, and the provision of desired public facilities. In consideration of those benefits, the City herein provides Developer assurance that during the term of this Agreement, it may develop, maintain and use the Property in accordance with the terms and conditions of this Agreement."

The City by this language has previously made the determination that the Development Agreement is in compliance with Policy I-LU 7 of the General Plan. No changes to the Development Agreement are proposed which would change this determination and the therefore the Development Agreement is in compliance with this policy.

Thank you very much for your consideration. I look forward to the opportunity to answer any questions you may have.

Yours Truly,

Shawn K. Millbern, LEED AP

Senior Vice President

The Robert Mayer Corporation

att: Draft First Amendment to Amended and Restated Development Agreement

EXISTING HILTON WATERFRONT BEACH RESORT EXPANSION

Final Phase of the Waterfront Development Project

Addendum to SEIR 82-2

RECEIVED

MAR 0.5 2012

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March 2012

ATTACHMENT NO. 41

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CHAPTER I Introduction

This Addendum (Addendum #3) to the previously certified Supplemental Environmental Impact Report 82-2 for the Waterfront Development Project and the previously certified Environmental Impact Report for the Downtown Specific Plan has been completed pursuant to the procedural and substantive requirements of the California Environmental Quality Act (CEQA) in order to evaluate the environmental impacts associated with minor changes to the third hotel portion of the Waterfront Development Project.

I.I PREVIOUS ENVIRONMENTAL DOCUMENTATION

The Waterfront Development Project was first conceptually discussed in the Huntington Beach Downtown Specific Plan, which was evaluated by Environmental Impact Report 82-2 (EIR 82-2; certified in 1983). The Downtown Specific Plan established land use/zoning standards for the Specific Plan Area, which includes the project site. A detailed development plan for the Waterfront Project, which was prepared in 1988, necessitated the preparation of a Supplemental Environmental Impact Report (SEIR 82-2; certified in 1988).

In 1998, the project was substantially reduced in scale. The proposed changes to the 1998 development plan for the Waterfront Project were addressed in Addendum #1 to SEIR 82-2 (dated July 15, 1998). Addendum #1 to SEIR 82-2 also served as an Addendum to the Huntington Beach Redevelopment Project Area EIR, because the project site is within the City's Redevelopment Project Area and its implementation would advance a portion of the City's redevelopment program. Thus, the project is also part of the Redevelopment Project, as set forth in Public Resources Code [PRC] § 21090(b): "[i]f the environmental impact report for a redevelopment plan is a project environmental impact report all public and private activities or undertakings pursuant to, or in furtherance of, a redevelopment plan shall be deemed to be a single project."

In 2001, the project was further reduced in scale, and the revised site plan proposed the preservation of a 3.4-acre wetland area, consisting of 0.8 acre of jurisdictional wetlands and 2.6 acres of wetland buffer, instead of providing off-site mitigation, as described in SEIR 82-2. The 2001 project also involved a commensurate reduction in residential dwelling units from 230 to 184. The 2001 site plan was the subject of Addendum #2 to SEIR 82-2, which concluded that no significant changes in conditions had occurred, compared to existing conditions in 1988; no new or more severe impacts would result from the 2001 project, when compared to impacts disclosed in SEIR 82-2 (in fact, some impacts related to wetlands and hydrology were reduced); and no new or different mitigation measures would be required to reduce the significant effects of the project (in fact, several mitigation measures related to wetlands and hydrological impacts were rendered unnecessary by the changes in the site plan).

With respect to the third hotel portion of the Waterfront Development Project, SEIR 82-2 analyzed the proposed development of a twelve-story, 300-room, first-class hotel, with up to 15,000 square feet (sf) of meeting space on a 3.4-acre parcel of the Waterfront Development site. This use was consistent with the

evaluation in Addendum #1 to SEIR 82-2, and Addendum #2 to SEIR 82-2. As currently proposed, the project consists of a nine-story expansion of the existing Hilton Waterfront Beach Resort that would include a net increase of 151 rooms, with attendant meeting rooms, restaurant, retail, and guest serving amenities such as a pool, health spa, and fitness room.

1.2 CEQA CRITERIA

According to CEQA Guidelines Section 15164(a), if a project does not fulfill any of the criteria enumerated in CEQA Guidelines Section 15162(a)(1)—(3), then an Addendum, rather than a subsequent or supplemental EIR, is the appropriate document to achieve environmental clearance. The determination that none of the criteria outlined in CEQA Guidelines Sections 15162(a)(1)—(3) are fulfilled must be supported by substantial evidence provided in the administrative record.

As stated in CEQA Guidelines Section 15162:

- (a) When an EIR has been certified ... no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:
 - (1) Substantial changes are proposed in the project which will require major revisions of the previous EIR ... due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
 - (2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR ... due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
 - (3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete ... shows any of the following:
 - (A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
 - (B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - (C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
 - (D)Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

The rationale supporting preparation of an Addendum, considering each of the criteria enumerated above, is provided in Section 3.30 (Conclusions) of this document, which follows the environmental analysis.

CEQA Guidelines Section 15164(a) also states that:

The lead agency or responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 ... have occurred.

This Addendum analyzes the existing documentation, mitigation measures, and current site characteristics of the Waterfront Development to determine whether an Addendum or a Supplemental EIR would be the appropriate environmental document to achieve compliance with the procedural and substantive requirements of the CEQA. Regarding CEQA Guidelines Section 15162(a)(1), the proposed changes to the previously approved project, discussed in more detail in the sections to follow, are not considered to be substantial such that major revisions of SEIR 82-2 would be required. Additionally, no new significant environmental effects or substantial increases in the severity of previously identified significant impacts will occur as a result of the revised project. On the whole, the revised project is a reduction in the density of the previously approved project and the continuation of the long-standing hotel uses at the project site. A careful examination of each environmental issue area that was evaluated in Addendum #1 and Addendum #2 to SEIR 82-2 forms the basis for the determination that an Addendum is the appropriate environmental documentation.

1.3 USE OF THIS ENVIRONMENTAL DOCUMENTATION ASSESSMENT

It is anticipated that Addendum #3 to SEIR 82-2 for the Waterfront Development Project would be used as a basis for the City's discretionary consideration of a number of entitlement approvals associated with the project, including:

- Conditional Use Permit
- Coastal Development Permit
- Special Permits
- Development Agreement

1.4 TERMINOLOGY

For purposes of this Addendum, the "project site" is defined to include the entire Waterfront Development Project, including the Waterfront Residential Development, the Hyatt Regency Huntington Beach Resort and Spa (hereafter referred to in this assessment as the "Hyatt Regency Resort"), the Hilton Waterfront Beach Resort, Pacific View Avenue, and the interim use/future use (third hotel) site. However, the Hyatt Regency Resort, the Hilton Waterfront Beach Resort, Pacific View Avenue, and the Waterfront Residential were fully evaluated in SEIR 82-2, Addendum #1 to SEIR 82-2, and Addendum #2 to SEIR 82-2, and need no further consideration in this document. The specific portion of the Waterfront Development Project that is evaluated in this Addendum is the 3.4-acre third hotel portion of the overall development project. For clarity, the third hotel portion will be referred to as the "proposed project" or "expansion project" when referring to that portion of the Waterfront Development Project that is the subject of this Addendum. In addition, the residential portion of the Waterfront Development Project is referred to as the "Waterfront Residential Development."

Throughout this document, the 1988 project is used in reference to the project design that was evaluated in SEIR 82-2. The 1998 project is used in reference to the project design that was evaluated in Addendum #1

to SEIR 82-2, and the 2001 project is used in reference to the project design that was evaluated in Addendum #2 to SEIR 82-2.

Lastly, the term "developer" and "Applicant" are used interchangeably throughout this document. The mitigation measures adopted in 1988 refer only to a "developer," who at that time was anticipated to be an entity other than the Applicant or landowner.

1.5 MITIGATION NUMBERING

SEIR 82-2 contained numbered mitigation measures that were, in some cases, re-numbered in the City's Resolution of Adoption No. 5913 certifying SEIR 82-2. The mitigation measures identified in both documents are substantially similar; however, the mitigation language and the numbering convention presented in Resolution of Adoption No. 5913 are retained in this Addendum to provide the most accurate assessment of the mitigation measures that the Applicant is required to implement. In addition to the mitigation measures identified in Resolution of Adoption No. 5913, the Applicant would also be required to implement and/or incorporate various conditions of approval that may be required as part of the entitlement process for the proposed project. It should further be noted that in some instances the wording of mitigation measures as adopted in SEIR 82-2 were changed in either Addendum #1 to SEIR 82-2, or Addendum #2 to SEIR 82-2. In such instances the original wording was used and the new language was discussed as part of the mitigation evaluation.

CHAPTER 2 Project Description

This section describes the fourth and final phase of development of the master planned Waterfront Development Project, which in total consists of the existing 290-room Hilton Waterfront Beach Resort (Hilton Hotel) which opened in 1990, the 517-room Hyatt Regency Huntington Beach Resort and Spa (Hyatt Regency Resort) which opened in 2003, and the 184-unit Waterfront residential community which was completed in 2004. The proposed project as described in this chapter would be an expansion of the Hilton Hotel and would be operated by hotel staff and used by the public as one fully integrated resort hotel (referred to herein as the proposed expansion project).

The proposed expansion project is being undertaken pursuant to the 1998 Amended and Restated Development Agreement (DA) between the City of Huntington Beach and Mayer Financial, L.P., the 1998 Amended and Restated Disposition and Development Agreement (DDA) between the City's Redevelopment Agency and Mayer Financial, L.P., and the adopted Waterfront Commercial Master Site Plan. The Waterfront project was originally approved in conjunction with the certification of SEIR 82-2. Subsequently, Addendum #1 and Addendum #2 were prepared for subsequent phases of the project.

2.1 PROJECT LOCATION

The Waterfront Development Project is located in Orange County, California, in the City of Huntington Beach, immediately adjacent to the City's waterfront area. The subject site of the proposed expansion project is located within District 9 of the Downtown Specific Plan (DTSP). Figure 2-1 (Project Vicinity & Regional Location Map), illustrates the regional location of the project site, as well as the project vicinity. In November of 2009 the City Council approved an amendment to the DTSP which revised the district designations; under this amended plan, the site is now located within District 3. The site is part of a larger parcel (approximately 45 acres) of land that was the subject of the original DA for development of The Waterfront Development Project. However, the specific portion of the project site that is evaluated in this Addendum consists of the combination of Lot 2 of Tract 15535 (3.55 acres) plus an approximately 20-footwide strip of land on the eastern edge of Lot 1 of Tract 13045 (0.16 acre), for a total building site of approximately 3.71 acres. The site is bounded on the north by Pacific View Avenue, on the east by Twin Dolphin Drive, on the south by Pacific Coast Highway, and on the west by the existing Hilton Waterfront Beach Resort, which is shown in Figure 2-2 (Site Plan).

¹ The amended DTSP has not yet been certified by the California Coastal Commission; therefore, references to the DTSP refer to the version existing prior to the November 2009 amendment.

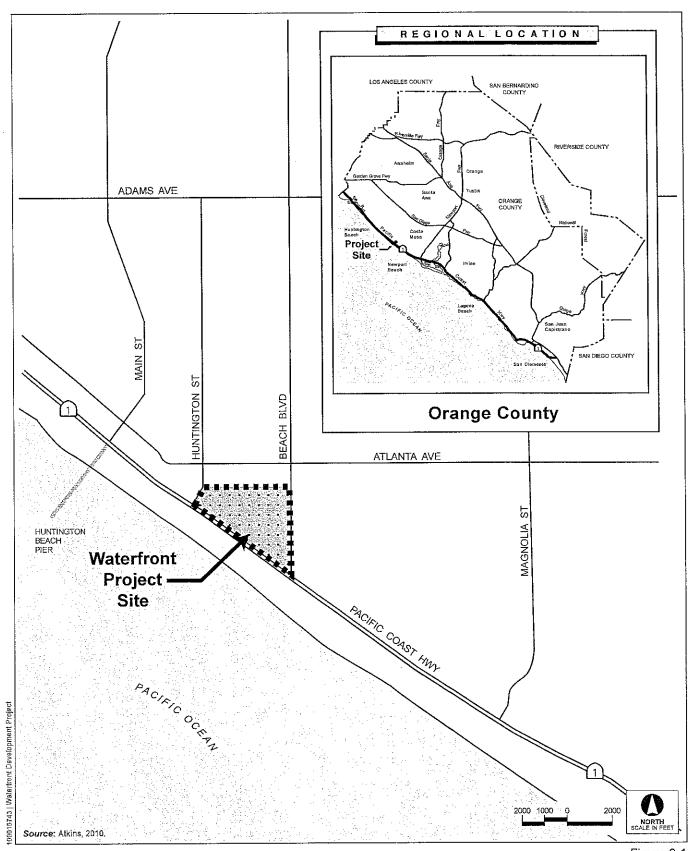
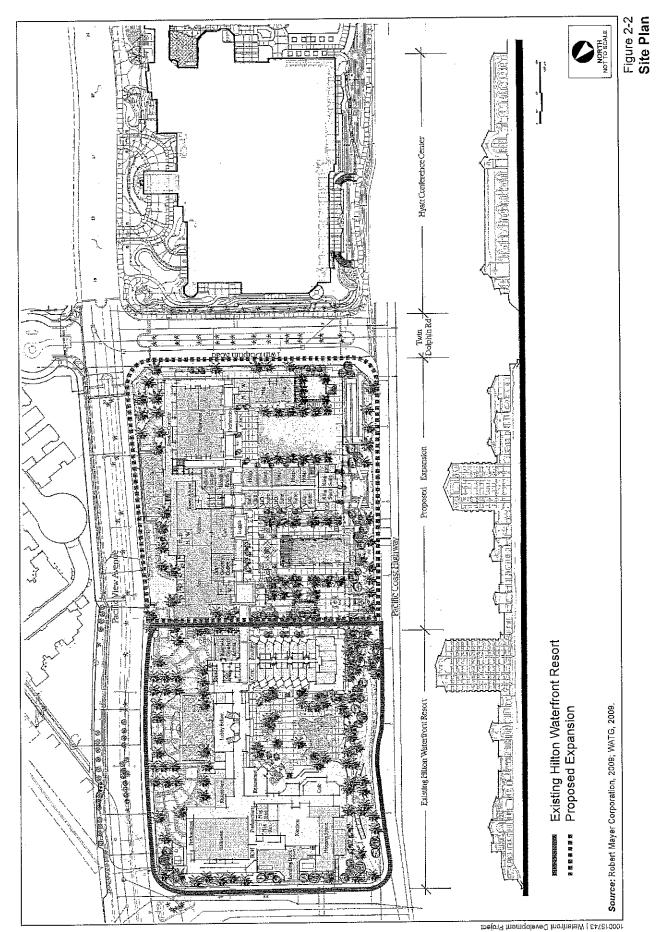


Figure 2-1 **Project Vicinity and Regional Location Map**

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2.2 1998 SITE CHARACTERISTICS

The existing Hilton Waterfront Beach Resort is a full-service, first-class resort hotel consisting of 290 guestrooms in one twelve-story tower, approximately 13,250 net square feet (sf) of meeting space, one full-service restaurant, one deli-style casual dining outlet, a club lounge, a gift shop, pool, Jacuzzi and other miscellaneous amenities, back-of-house support facilities, and two subterranean levels of parking.

In 1998 the Planning Commission approved Conditional Use Permit No. 98-9 and Coastal Development Permit No. 98-6 for interim uses on the subject site consisting of a pavilion tent for social events, a function lawn and wedding gazebo, one tennis court, one volleyball court, and surface parking (refer to Figure 2-3 [Interim Site, Current Use]). Those uses currently remain on the site but would be removed in their entirety when the proposed expansion project commences construction.

As of July 2010, several uses that were present on the Waterfront Development site in 1998 have been removed. These include the following:

- Huntington Beach Inn
- City-owned maintenance yard and facilities
- "Beach Remnant Parcel," located at Beach Boulevard and Pacific Coast Highway
- Driftwood Mobile Home Park, consisting of approximately 240 coaches
- Driftwood Beach Club, including a non-regulation 9-hole pitch and putt golf course

These facilities were removed in 1998 as a requirement of the Amended and Restated Disposition and Development Agreement. Specific to the proposed project site in 1998 were the closed hotel/restaurant (the Huntington Beach Inn) and its associated parking as well as several operational uses including a tented pavilion, wedding area, and associated parking. As the name the Waterfront interim-use/future hotel site suggests, several temporary improvements were implemented after the demolition of the Huntington Beach Inn, which included consolidation of the various parking areas into one area.

Addendum #1 to SEIR 82-2 proposed two options for permanent use of the proposed project site, which include:

- Option 1: Separate first-class hotel, totaling 275,000 sf (excluding parking), which would be similar to the existing Hilton Waterfront Beach Resort and have the following amenities:
 - > A maximum of 300 guestrooms
 - > A maximum of 15,000 net sf of meeting space
 - > One full service restaurant or café
 - > One limited service café
 - > Entertainment lounge and/or lobby lounge
 - > Gift/sundry shop/retail
 - > Exercise room
 - > Ocean view plaza with swimming pool and landscaping

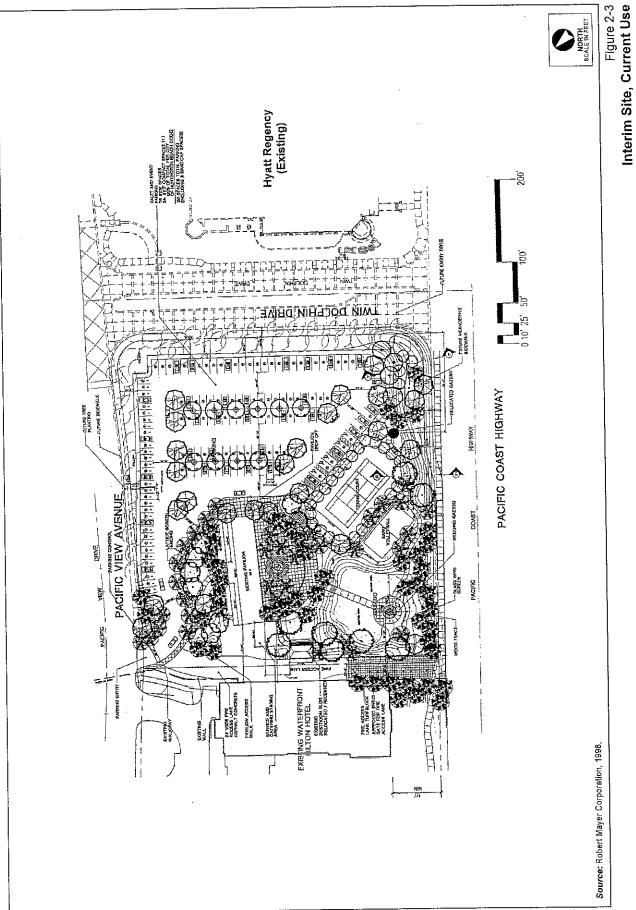
- Option 2: Separate first-class all-suite hotel, totaling 245,000 sf (excluding parking), which would have the following amenities:
 - > A maximum of 150 suite-type guestrooms
 - > A maximum of 8,000 net sf of meeting space
 - > One restaurant or café
 - > Entertainment and/or lobby lounge
 - > Gift/sundry shop/retail
 - > Exercise room
 - > Ocean view plaza with swimming pool and landscaping

In either option, the maximum height of the facility was determined to be twelve stories over two levels of subterranean parking, which is the same as the existing Hilton Waterfront Beach Resort. The subterranean parking structure and other facilities may have been physically connected with the existing Hilton Waterfront Beach Resort. Additionally, a third pedestrian overpass, spanning Pacific Coast Highway, was included as an optional element in conjunction with either of the hotel options described above. Since the 2001 Addendum #1 to SEIR 82-2, The Waterfront Development Project has completed the development of the Hyatt Regency Resort as well as the Waterfront Residential Development. The proposed project would consist of the development of the site that is currently being used by the Hilton Waterfront Beach Resort as landscaped surface parking, consisting of 150 spaces; event facility, including a 5,000 sf Wedding Tent and support plazas, an ocean view function lawn, and gazebo; and recreation areas that include two tennis courts, a regulation size sand Volleyball Court and outdoor barbecue grills. Figure 2-3 (Interim Site, Current Use) provides a detailed illustration of the current conditions.

The 1998 Addendum #1 to SEIR 82-2 identified these uses as temporary for the interim/future hotel site, and analyzed the impacts associated with the permanent use, which was proposed to be the third hotel. In order to present the conservative "worst-case" environmental scenario, Option 1 (the 300-room hotel) was analyzed in Addendum #1 to SEIR 82-2 as the permanent use.

2.3 SURROUNDING LAND USES

The land uses surrounding the interim/future hotel site have changed somewhat since 1998. At the time of the 1998 Addendum # 1 to SEIR 82-2, the adjacent land uses consisted of the Hilton Waterfront Beach Resort, and Pacific Coast Highway/beach parking lot immediately adjacent, to the south of the site. Since the 1998 Addendum #1 the following development has occurred: (1) the Hyatt Regency Resort, located immediately adjacent and east of the site; (2) the Waterfront Residential Development immediately adjacent and to the north of the site; and (3) the restored wetlands and buffer property, located approximately 1,100 feet east of the project site.



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Development activity has also occurred in the downtown area, principally on Main Street and in the residential areas west of Main Street. In February 2004, the City of Huntington Beach approved the Final EIR for the Pacific City Project, on the vacant land west of the Waterfront Development Project site, with entitlements for the development of 31.5 gross acres of vacant land. Project components include a visitor-serving/neighborhood commercial center adjacent to Pacific Coast Highway, which would include retail, office, restaurant, cultural and entertainment uses; a residential village, and private and public open space; and vehicular and pedestrian improvements, including the extension of Pacific View Avenue between Huntington and First Streets. Currently the Pacific City site has been graded, the Pacific View Avenue extension has been constructed, and portions of the proposed subterranean parking structure have been constructed. Otherwise, however, the Pacific City Project site remains vacant.

2.4 PROPOSED PROJECT CHARACTERISTICS

The expansion project would consist of the following new components:

- A new nine-story guestroom tower providing a total of 156 new guestrooms. Five existing conventional guestrooms in the existing tower would be converted to a public corridor and other uses, resulting in a net increase of 151 new guestrooms for the Hilton Hotel. (Together with the existing 290 guestrooms of the existing hotel, minus five guestrooms that would be lost as described above, the total guestroom count of the Hilton Hotel will be 441.)
- Approximately 13,700 sf of net interior meeting space consisting of the following:
 - > A multi-divisible ballroom of approximately 8,500 sf
 - > A multi-divisible meeting room of approximately 3,300 sf
 - > A main floor board room of approximately 1,300 sf
 - > A second floor board room of approximately 600 sf
- Full service business center
- Casual dining restaurant
- A combined grocery/gift store and coffee shop/deli
- Secondary retail and recreational services shop
- Children's club room and entertainment area
- Approximately 8,000 sf health spa
- Fitness and exercise facility
- Outdoor function lawn for events
- Pool, deck, and outdoor pool restaurant
- Secondary porte-cochere entry off Pacific View Avenue
- One level of semi-subterranean parking with a loading dock and other back-of-house facilities.

In addition to the new expansion components, the project would also include minor modifications to the existing Hilton Hotel. These modifications include the following:

- A new public corridor connection to the expanded facilities will be provided on the main hotel level. The modifications would primarily consist of the removal of an existing fitness room plus two guestrooms to accommodate a full service business center and new corridor through the base of the existing guestroom tower.
- Three existing guestrooms adjacent to the new corridor would be converted to other uses, for a total loss of five guestrooms in the existing guestroom tower.
- A vehicular connection between the existing upper parking garage level and the new garage facility would be provided.
- A new pedestrian walkway connecting the existing swimming pool deck to the new swimming pool deck in front of the existing guestroom tower would be provided.
- Various landscaping and walkway revisions at the interface of the existing guestroom tower to the new expansion project would be made.

The proposed architectural style of the expansion project is contemporary Mediterranean. The overall building forms, architectural details, colors, landscaping, and style are intended to be consistent with the existing Hilton Hotel property in order to provide a seamless addition with the existing facilities. At completion, the property would contain three courtyards facing the ocean, all accessible from the main public corridor traversing the property. The expansion project's landscape design would be a consistent and logical extension of the existing landscaping of the Hilton hotel, including the use of mature palm trees, lush shrubbery and groundcover, and seasonal plantings.

The proposed construction activities would last approximately four months. Site preparation and demolition activities would commence in January 2012 (for conservative purposes) and last for approximately two weeks. Mass grading/excavation would immediately follow for approximately one and a half weeks, moving directly into fine grading for approximately one week. Trenching would last approximately one week with building construction to occur immediately after for approximately two and half months. Paving (3 days) and painting (3 weeks) would be the final construction activities. These construction activities are projected to take place sequentially and it is assumed that two or more activities would not occur simultaneously. The topography of the project site varies but is generally at an existing grade elevation similar to the elevation of the parking level of the proposed project. It is expected that the site would be balanced such that there would not be the need to import or export significant quantities of soil to or from the site to initially construct the new building. However, approximately 5,000 cubic yards of import is estimated to be required for final landscaping topsoil and fine grading purposes.

2.5 PARKING

Parking would be provided in the expansion project in one level of valet only parking below the main public level of the building, similar to the existing operating conditions of both the Hilton Hotel and the Hyatt Regency Resort. The proposed project would provide a total of 261 designated parking spaces. With the addition of spaces due to valet car stacking (as discussed in Section 3.6 [Parking]), capacity for a total of 322 will be provided under the proposed expansion (261 designated parking spaces plus the capacity for 61 additional valet spaces). Per the Development Agreement for the proposed project, 97 of the proposed 322

parking spaces for the third hotel will be allocated to the existing Waterfront Hilton Hotel, resulting in the provision of approximately 225 parking spaces for the proposed 151-net-room expansion. This would result in a parking ratio of 1.49 spaces per new hotel room, in excess of the 1.1 ratio established by the City's parking code.

2.6 DESCRIPTION OF REQUESTED APPROVALS

In conjunction with the appropriate environmental documentation, it is anticipated that the proposed expansion project would be required to apply for and receive a number of permits and approvals, including, but not limited to the following:

- Conditional Use Permit
- Coastal Development Permit
- Special Permits
- Development Agreement

CHAPTER 3 Environmental Evaluation

3.1 GEOLOGY, SOILS, AND SEISMICITY

Initial Environmental Setting (1998)

As described in Addendum #1 to SEIR 82-2, the proposed project site is relatively flat, without significant topographic relief. In 1998, G.A. Nicholl and Associates completed a geotechnical report for the project site, based upon subsurface geotechnical investigations. The purpose of this report was to evaluate existing geotechnical conditions in 1998, to identify any potential limitations to development, and/or to identify any geotechnical recommendations that would facilitate development. The 1998 Addendum #1 to SEIR 82-2 recognized that the site has several above-average geotechnical constraints, including long-term impacts resulting from a seismic hazard caused by the Newport-Inglewood fault, such as ground shaking, liquefaction and soil stability.

Geomorphically, the Waterfront Development site is situated within the Santa Ana River Flood Plain, bounded by the resistant terraces of Huntington Mesa to the northwest and the Newport Mesa to the southwest. The site is underlain by several hundred feet of Quaternary alluvial sediments, comprised of both marine and non-marine sediments, which were generated and transported during periods of regional mountain uplift, stream erosion, and ocean activity. Along with the surrounding area, the site is situated over a groundwater bearing zone known as the Talbert Aquifer, which is comprised primarily of Pleistocene-age, dense sand and gravel. Above the Talbert Aquifer are less dense Holocene-age sediments, which are approximately 11,000 years old and generally are comprised of interlayered sand, silt, and clay. At the surface, the proposed project site is underlain by a layer of artificial fill varying in thickness from roughly 4 to 11 feet. The fill was probably generated during petroleum exploration prior to the commercial and residential development that existed on the project site in 1998.

The site is situated within the general area of the Newport-Inglewood Fault Zone; however, no traces of the fault are known to traverse the property.

Elevations of groundwater in monitoring wells throughout the Waterfront Development were measured to range from 1 foot above mean sea level (MSL), near the seaward boundary of the project site, to 3 inches below MSL, near the inland boundary of the project site. Based on regional information, the depth to the top of the groundwater-bearing Talbert gravel, which is approximately 90 feet thick in this area, is less than 60 feet. During the geotechnical explorations, the dense sand and gravel layer was encountered at a depth of roughly 46 to 50 feet below the existing ground surface.

Impacts of 1998 Project

According to the geotechnical report prepared by G.A. Nicholl and Associates in 1998, seismic risk in southern California is a well-recognized phenomenon. Seismic damage potential depends on the proximity to active or potentially active fault zones and on the type of geologic structures. In relative terms, seismic damage is generally less intense in consolidated materials, such as alluvium. Most of the seismic damage to man-made structures results from ground shaking and, to a lesser degree, from liquefaction and ground rupture.

Seismic hazards at the proposed project site are attributed to ground shaking as a result of an earthquake epicentered on an active fault. Ground rupture was not expected to occur on the property, due to the absence of any known fault traversing the proposed project site. The potential for liquefaction was considered high, based on the condition and characteristics of the underlying Holocene-age alluvial deposits and shallow groundwater conditions. The potential for seismically induced landslides was non-existent, since no natural slopes are present and future fill slopes would have been insignificant in relief. SEIR 82-2 noted a low-to-moderate risk for tsunamis to exist at the site. Also, according to the Moderate Tsunami Rum-up Area map in the City of Huntington Beach General Plan, the project site is located in an identified moderate tsunami run-up area.

Seismically induced settlement of the looser, alluvial deposits, coupled with structural loading, can occur if proper compaction of the loose soils is not accomplished. Similarly, spontaneous consolidation of the looser alluvial soils is also possible.

In summary, the 1998 geotechnical report concluded that:

It is our opinion that the site will be suitable for the proposed development, from a geotechnical aspect, assuming that our recommendations are implemented. From a geotechnical standpoint, the planned development will not have a detrimental effect on the site or the adjacent areas.

Based on the geotechnical studies conducted for the project area, in and before 1998, the site has several above-average geotechnical constraints including:

- Long-term impacts resulting from a seismic hazard caused by the Newport-Inglewood fault (groundshaking in particular);
- Long-term impacts resulting from a moderate to high potential for liquefaction;
- Short-term impacts due to weakened subsurface soil strength (which requires deeper foundations);
- Short-term impacts due to shallow groundwater (which requires de-watering during excavation below the groundwater table).

The project proposed in 1998 would have increased the number of people visiting the proposed project site and, therefore, would have increased the number of people that are exposed to the geologic risks inherent to the City's location. Although the dangers posed by these geologic hazards would be mitigated by project design features and construction methods, such risks would not be reduced to a less-than-significant level; therefore, significant adverse impacts would occur.

Approved 1998 Mitigation Measures

Mitigation Measure 1 The Waterfront Development Project shall conform to mitigation measures included in the Downtown Specific Plan EIR 82-2.

Mitigation Measure 2 Subject to approval by the Departments of Community Development and Public Works, the developer shall incorporate recommendations provided by Irvine Soils Engineering, Inc. (in their June 29, 1984 limited geotechnical investigation Job No. 2561-00, Log No. 4-6086) into project designs, plans and specifications for each phase of the overall project.

Mitigation Measure 3 Prior to the issuance of grading permits for each project phase, a supplemental geotechnical investigation based on the specific proposed design shall be performed to confirm subsurface conditions (liquefaction hazard zones and groundwater levels), and provide supplemental recommendations, as appropriate, for final design of each structure and for the proposed residential development.

Mitigation Measure 4 Design provisions such as pile foundation systems shall be required to permit structures to withstand liquefaction without serious consequences. If significant liquefaction hazard zones are identified in the supplemental geotechnical investigation, the development plan shall be revised prior to issuance of building permits for each phase, to avoid these areas or the hazard shall be mitigated by densification of the liquefiable soil or other recognized techniques.

Mitigation Measure 5 All structures shall be designed in accordance with the seismic design provisions of the Uniform Building Codes to promote safety in the event of an earthquake.

Mitigation Measure 6 If verified as being required by a qualified soils engineer, existing fill materials and disturbed, loose soils shall be removed and replaced with competent material. For each phase, such reports shall be submitted to, and approved by, the City Engineer prior to issuance of grading permits. All site preparation, excavation, and earthwork compaction operations shall be performed under the observation and testing of soils engineer(s).

Current Environmental Setting

As in 1998, the proposed project site is still relatively flat and without significant topographic relief. The structures that occupied the proposed project site in 1998 have been removed, and the proposed project site is currently being utilized by the Hilton Waterfront Beach Resort for overflow parking, outdoor events (such as weddings), and recreation. These changes to the proposed project site have not resulted in a change of the geology of the proposed project site. The existing geologic conditions remain the same in 2010 as in 1998. According to the geotechnical report prepared by Group Delta Consultants for the proposed project, the water table was encountered at depths of 6.5 to 8 ft below the site grade of about El. 10 feet or at El. 2.0 to El. 3.5 feet in the two borings drilled for this project. The elevation of the water table measured during exploratory work on the nearby Hyatt project was generally within 1 to 3 feet of mean sea level. Minor fluctuations of groundwater level should be anticipated due to seasonal variations in precipitation and surface infiltration, similar to conditions identified for the 1998 project.

Impacts of Current Project/Impacts Comparison

Seismic hazards, including ground rupture, liquefaction, and soil stability, are site-specific; and as described above, the conditions on the proposed project site have not changed substantially since 1998; therefore the impacts relating to a substantial seismic event are the same type and magnitude as analyzed in Addendum #1 to SEIR 82-2. Although completion of the Hyatt Regency Resort and the Waterfront Residential Development have occurred since the preparation of Addendum #1 to SEIR 82-2, the existing geologic conditions remain the same in 2010 as in 1998. The geotechnical report was prepared by Group Delta Consultants for the proposed project and provided recommendations to assist the project's structural engineer in designing the building's structural system to resist seismic forces. The geotechnical report is provided as Appendix A to this Addendum. Additionally, structures built in Huntington Beach are required to comply with standards set forth in the California Building Code (CBC) and standard City codes, policies, and procedures which require submittal of a detailed soils analysis prepared by a Licensed Soils Engineer. Conformance with CBC requirements and standard City code requirements would ensure potential impacts from seismic ground shaking are minimized.

Based on the high water table, as identified above, the proposed one, semi-subterranean level of subterranean parking may require dewatering, either temporary (construction) or permanent (operation). Per the geotechnical report prepared by Group Delta Consultants for the proposed project, a future contractor would be responsible for the design of any dewatering systems, the review and approval of which will be required by the City. Construction or temporary dewatering shall be addressed in a future, project-specific Stormwater Pollution Prevention Plan (SWPPP) that would be prepared in conjunction with construction design drawings for the proposed project. Any necessary permanent dewatering, if determined to be necessary upon completion of design drawings in the future, shall be addressed in a revision to the project-specific Water Quality Management Plan (WQMP).

Figure EH-8 of the City of Huntington Beach General Plan Hazards Chapter identifies the proposed project site as being located within an area of moderate tsunami run-up. However, the Group Delta geotechnical report for the proposed project notes that the finished grades of the project site will range between an elevation of 10 feet for the basement parking and an elevation of 26 feet for the hotel expansion. The report also notes that a 5-foot run-up for a 100-year tsunami and an 8-foot run-up for a 500-year tsunami are predicted nearby. If the tsunami coincides with high tide, the maximum water elevations may reach between 11 and 14 feet in areas near the proposed project site. It should be emphasized that the probability of simultaneous occurrence of a 100-year tsunami and an astronomical high tide is low. In addition, the project site is separated from the Pacific Ocean by beach parking lots west of PCH at an elevation of about 12 ft above mean sea level. This raised parking area forms an effective barrier against tsunami run-up. In addition, policies to address tsunami hazards are included in the City's General Plan. The policies include identification of tsunami-susceptible areas; requiring developers, builders, or property owners to undertake specific measures during initial construction to prevent or reduce damage from tsunami hazards; participation in the National Weather Service or other system for local tsunami warnings; and providing information to the public regarding tsunami areas and emergency response plans. The applicant of the proposed project would be required to conform to the requirements of the City's General Plan by defining

and implementing specific measures during initial construction to prevent or reduce damage from tsunami hazards.

Further, the proposed project is expected to result in a net 151-room hotel expansion, as opposed to the 300-room hotel evaluated in 1998. Therefore, the reduced number of individuals using the site commensurately reduces the risk to the public arising from unmitigated or seismic or geological disturbances, but not to a less-than-significant level. Nonetheless, the Statement of Overriding Considerations adopted with the approval of the first three phases of the Waterfront Development, did recognize that exposure of structures and the public to geological hazards is a significant, adverse, and unavoidable environmental impact, but such risk is outweighed by the daily enjoyment of the coast by a broader portion of the population. This level of risk, as opposed to the greater public benefit, would be similar for the revised project, and no significant new impact or significant increase in the severity of a previously described impact would occur with respect to geology, soils, and seismicity.

Mitigation Analysis

The mitigation measures examined above would still apply. Addendum #1 to SEIR 82-2 inserted modified language in Mitigation Measure 2 that added the words "or a qualified geotechnical engineer" immediately before "... into project designs, plans and specifications...." Irvine Soils Engineering is no longer in existence and the Applicant would need to hire other firms, as appropriate, for the final design of the project. As previously noted, a geotechnical report was prepared by Group Delta Consultants for the proposed project, consistent with the requirements of Mitigation Measure 2.

The existing geologic conditions remain the same in 2010 as when previously studied in SEIR 82-2. However, several revisions to the applicable building codes have occurred since the risk was studied in SEIR 82-2. These code revisions have substantially improved the earthquake resistance of structures, thereby reducing the level of risk to persons and property as from earlier years. Also, the City of Huntington Beach General Plan, Hazards Chapter, Environmental Hazards Element, contains several measures to further reduce seismic related risks and impacts. The proposed project would comply with the City of Huntington Beach General Plan, as well as any other local or state law, policy or ordinance as they relate to the potential impacts associated with seismic hazards. It is further anticipated that the Statement of Overriding considerations adopted with the approval of the first three phases of the Waterfront Development, which states in relevant part, "... recognize that exposure of structures and the public to geological hazards is a significant, adverse, and unavoidable impact, but such risk is outweighed by the daily enjoyment of the coast by a broader portion of the population," would be applicable for the proposed project. No new or different mitigation would be required to reduce this impact.

3.2 BIOTIC RESOURCES—ON-SITE WETLANDS

Initial Environmental Setting (1998)

As described in Addendum #1 to SEIR 82-2, a biological resources evaluation and jurisdictional/wetland delineation was completed in 1998 by LSA Associates, Inc. (LSA) to update, where appropriate, the findings

of a 1987 biological resources evaluation and jurisdictional/wetland delineation that was prepared for the 1988 SEIR 82-2. In summary, as a result of the 1998 LSA evaluation and consultation with City staff and the California Department of Fish and Game (CDFG), the on-site wetlands located within the proposed residential portion of the Waterfront Development was determined to be 0.8 acre. Further, the 1998 biological report indicated that the wandering skipper (a species of butterfly) has been identified as a biological resource not previously described in SEIR 82-2; however, the biological study (LSA 1998) stated that considering the small amount of potentially suitable, but isolated, habitat area for the wandering skipper, which may or may not occur on site, this loss is not considered a significant impact. Further, LSA did not recommend any new or different mitigation measures to offset this less-than-significant impact.

Notably, the updated biological report (LSA 1998) states that:

The description of biological impacts presented in the SEIR is still entirely relevant and applicable to the project as currently proposed, and no new impacts or conditions have been identified that warrant additional consideration. Also, the proposed project will not conflict with any adopted environmental plans, goals, and policies of the City relative to biotic resources.

It should also be noted that Addendum #1 to SEIR 82-2 did not identify any biological resources associated with the proposed project site, as it was occupied by the closed Huntington Beach Inn and associated parking and support structures at that time.

Impacts of the 1998 Project

The impacts to on-site biotic resources of the 1998 project were found to be similar to the impacts found in SEIR 82-2. Implementation of the project as proposed in 1998 would have required the filling and developing of both the existing wetland and the adjacent, low-lying area, and would result in a loss of both the existing wetland values and the potential for restoration. The loss of the wetland and low-lying area, if not mitigated, were considered significant. Further, although the wandering skipper was identified as a potential biological resource, implementation of the 1998 project was not considered to be a significant impact on this species, due to the small and isolated nature of the on-site habitat.

Approved 1998 Mitigation Measures

Mitigation Measure 7

Subject to the approval of the Coastal Commission, and as agreed upon by the City staff and State Department of Fish and Game staff, the amount of wetland area that shall be mitigated for is 0.8 acre.

Mitigation Measure 8

To mitigate for the loss of on-site wetlands, the Applicant shall prepare a detailed wetland restoration plan that complies with the Coastal Act requirements discussed above and Department of Fish and Game criteria. Further discussions with the Coastal Commission, DFG, and U.S. Fish and Wildlife Service will be necessary to determine the most appropriate restoration site, the type of wetland to be restored, the monitoring plan, and other considerations. If off-site mitigation is deemed appropriate, preference shall be given to enhancing/restoring wetland sites located within the City of Huntington Beach. These issues will be clarified prior to Coastal Commission review of the Coastal Development Permit for the affected phase of the project.

Mitigation Measure 9

Full mitigation of the 0.8-acre site shall be completed prior to the subject wetland site being altered by the proposed project. No development permits for grading, construction or otherwise, shall be issued for the impacting phase until full mitigation has been accomplished. The mitigation measure(s) is subject to the approval of the City, the California State Department of Fish and Game and the California Coastal Commission.

- The restoration plan shall generally state when restoration work will commence and terminate, shall include detailed diagrams drawn to scale showing any alteration to natural landforms, and shall include a list of plant species to be used, as well as the method of plant introduction (i.e., seeding, natural succession, vegetative transplanting, etc.).
- This condition does not preclude fulfillment of the mitigation requirement through the payment of an in-lieu fee consistent with the Coastal Commission's adopted wetland guidelines and the Huntington Beach Local Coastal Program.

Mitigation Measure 10 Prior to the alteration of the on-site wetland area, a coastal development permit shall be obtained from the California State Coastal Commission.

Mitigation Measure 11 Subsequent to Coastal Commission and Regional Water Quality Control Board approval of an appropriate wetland mitigation plan, and prior to the filling of the on-site wetland area, a 404 permit from the Corps of Engineers shall be obtained.

Current Environmental Setting

In 2001, Addendum #2 to SEIR 82-2 was prepared to address significant changes with regards to the preservation of the 0.8-acre wetland located in the residential portion of the Waterfront Development Project. In a negotiated settlement with the California Coastal Commission (CCC) the Applicant elected to surrender the Coastal Development Permit (CDP) that was obtained in 1999, and accept the following deed restrictions that established several conditions: (1) the Applicant must deed the degraded wetland located in the residential portion of the Waterfront Project to the City of Huntington Beach Redevelopment Agency within 20 months of accepting title, which occurred in the Spring of 2001; (2) the Applicant would not be required to provide 0.8 acre of restored wetlands as mitigation (either on-site or off-site at the Shipley Nature Center) because the wetland would be preserved in situ; and (3) the CCC would abandon a condition imposed in the findings associated with the original CDP with respect to the commercial portion of the Waterfront project site. The preservation of the 0.8-acre wetland—including a 100-foot buffer surrounding the wetland that accounts for an additional 2.6 acres of preserved habitat—has occurred, for a total of 3.4 acres of preserved wetland habitat. Further, the on-site wetland acts as a natural water quality treatment system.

As with the project evaluated in 1998, the currently proposed project shall be developed on a site that has no identified sensitive or special-status species, or habitat for such species on site; as the site is currently being used for surface parking and guest amenities for the Hilton Waterfront, and any vegetation on site is limited to landscaped ornamental trees and hedges. Although the previously identified 0.8-acre wetland and 2.6-acre wetland buffer is considered "on-site," in that it is part of the entire Waterfront Development project, it is not part of the site on which the currently proposed project would be developed. In addition,

as a condition of Addendum #2 to SEIR 82-2, the "on-site" 0.8-acre wetland and 2.6-acre buffer have been preserved.

In May of 1998 a survey of existing trees at The Waterfront project area (excluding the then existing Hilton Waterfront Beach Resort but including the subject development site) was conducted by a certified arborist and submitted to the City pursuant to a condition of approval for the Conditional Use Permit issued for the since completed Hyatt Regency Huntington Beach Resort & Spa. A total of 243 significant trees were identified, the majority of which were Washingtonia Robusta (Mexican Fan) palm trees. Approximately 1,300 new mature/significant trees were installed with the development of the Hyatt Regency Huntington Beach Resort & Spa, Pacific View Avenue, Twin Dolphin Drive, and Waterfront residential community in 2002 through 2005. Together with the Hilton Waterfront Beach Resort, approximately 1,500 mature/significant trees were installed at The Waterfront project area by 2005. Today, approximately 105 mature trees exist on the proposed project site, the large majority being Washingtonia Robusta (Mexican Fan) palm trees (Robert Mayer Corporation 2009). The existing trees are expected to be removed and relocated offsite and, as practical, replanted elsewhere due to the constrained size of the site and planned large-scale construction activity which does not allow for boxing and storage of the trees onsite. It is anticipated that the proposed project would also be landscaped with approximately the same number of mature trees that would be removed from the site.

Impacts of Current Project/Impacts Comparison

With the preservation of the 3.4 acres of wetland habitat on the residential portion of the site (treatment wetlands), the impacts associated with the loss of on-site biotic resources have been avoided. The Migratory Bird Treaty Act (MBTA) makes it unlawful to "take" (kill, harm, harass, etc.) any migratory bird listed in 50 CFR 10, including their nests, eggs, or products; providing protection to over 800 species of birds. This list includes some very common species such as the American robin (Turdus migratorius), house finch, American crow (Corvus brachyrhynchos), and western meadowlark (Sturnella neglecta). Migratory avian species that may use portions of the proposed project site for nesting during the breeding season are protected under the MBTA. Construction-related activities that may include, but are not necessarily limited to, building demolition and/or relocation, grading, materials laydown, access and infrastructure improvements, and building construction, could result in the disturbance of nesting migratory species covered under the MBTA. The most identifiable potential direct impact to migratory species would involve the removal of vegetation (esp. trees) within the proposed project site. Although no identifiable habitats exist within the proposed project site, this does not preclude the presence of migratory species nesting among the existing landscape vegetation. Compliance with the MBTA would be consistent with the City of Hunting Beach's current codes and policies developed to protect biological resources. If construction activities occur outside of the breeding season (between August 15 and February 15), no mitigation would be required for this issue. However, if construction occurs between February 15 and August 15, implementation of mitigation measure #69 would reduce potential impact by ensuring that surveys for MBTA species and other specialstatus species are performed during the appropriate time of year and, if necessary, buffer zones established to protect nesting species. Accordingly, with the incorporation of mitigation measure #69, which is

considered to be standard City procedure at this time, no new significant impact or significant increase in the severity of the previously analyzed impact would occur with respect to on-site biotic resources.

Mitigation Analysis

Consistent with the deed restrictions for the property, the wetland has been preserved on-site and the Applicant is no longer required to provide 0.8 acre of restored wetlands at the Shipley Nature Center, which would have served as off-site mitigation for impacts to the on-site wetland. Therefore, Mitigation Measures 7 to 11 are no longer applicable to the currently proposed project. With the preservation of the on-site wetland no additional mitigation measures are necessary to protect the existing wetland.

Although the wandering skipper has been identified as a biological resource not previously described in SEIR 82-2, the 1998 biological study by LSA determined that "considering the small amount of potentially suitable, but isolated, habitat area for the wandering skipper, which may or may not occur on-site, this loss is not considered a significant impact." Further, LSA did not recommend any new or different mitigation measures to offset this less-than-significant impact. Therefore, no new mitigation measures with respect to the wandering skipper would be necessary for the proposed project. Implementation of the proposed project would result in the removal of existing mature trees at the project site; however, there would not be a net loss of mature trees as a result of the build out of this final phase of The Waterfront master planned development due to the large number of mature trees already planted in the construction of the prior phases of the project. Additionally, it is anticipated that the proposed project would also be landscaped with approximately the same number of mature trees that would be removed from the site. Construction-related activities associated with the development of the proposed project site would result in tree removal which could result in the disturbance of nesting migratory species covered under the MBTA or CDFG code. If construction activities occur outside of the breeding season (between August 15 and February 15), no mitigation would be required. However, if construction occurs between February 15 and August 15, implementation of Mitigation Measure 69 would reduce this impact by ensuring that surveys for MBTA species and other special-status species are performed during the appropriate time of year and, if necessary, buffer zones established to protect nesting species. Accordingly, the following mitigation measure shall be implemented:

Mitigation Measure 69

Nesting habitat for protected or sensitive avian species:

- 1) Vegetation removal and construction shall occur between September 1 and January 31 whenever feasible.
- 2) Prior to any construction or vegetation removal between February 15 and August 31, a nesting survey shall be conducted by a qualified biologist of all habitats within 500 feet of the construction area. Surveys shall be conducted no less than 14 days and no more than 30 days prior to commencement of construction activities and surveys will be conducted in accordance with CDFG protocol as applicable. If no active nests are identified on or within 500 feet of the construction site, no further mitigation is necessary. A copy of the pre-construction survey shall be submitted to the City of Huntington Beach. If an active nest of a MBTA protected species is identified onsite (per established thresholds) a 250-foot no-work buffer shall be maintained between

the nest and construction activity. This buffer can be reduced in consultation with CDFG and/or USFWS.

 Completion of the nesting cycle shall be determined by qualified ornithologist or biologist.

3.3 BIOTIC RESOURCES—ADJACENT WETLANDS

Initial Environmental Setting (1998)

As described in Addendum #1 to SEIR 82-2, urban runoff flows from the Waterfront Development project to wetlands located east of Beach Boulevard, via the previously degraded wetland (the now preserved and restored 3.4 acres of wetland habitat) at the eastern edge of the project site. Concern was expressed that a decrease of fresh water flow from the project site would lead to an increase in salinity and a decrease in seasonal ponding and soil saturation of these non-tidal wetlands.

Impacts of the 1998 Project

Off-site wetlands located east of Beach Boulevard could be affected by a change in the volume of urban runoff that presently flows from the site to the off-site wetlands. In fact, SEIR 82-2 states that:

The CDFG expressed a concern that the Waterfront Development should continue to allow freshwater urban runoff from the trailer park to flow to the wetlands southeast of Beach Boulevard. Loss of this water supply would probably increase salinity and decrease the seasonal duration of ponding and soil saturation in these nontidal wetlands, with possible impacts on the nature and extent of wetland vegetation. To assess the impacts on these wetlands and their associated wildlife, more hydrological data are needed to determine the relative importance of this versus other water sources, supplying the wetlands. This impact would be significant if not properly mitigated. Mitigation would have to include maintenance of existing amounts of runoff to the wetland on the other side of Beach Boulevard. No other significant impacts on biological resources are anticipated.

A drainage study conducted in 1998 (Fuscoe Engineering 1998) concluded that the drainage patterns that would exist after implementation of the Waterfront Development Project would deliver the same amount of freshwater urban runoff to the wetlands east of Beach Boulevard as under existing conditions, and at approximately the same seasonal pattern. Additionally, the remaining portion of the project site would continue to discharge its water to the Tract 9580 storm drain system without exceeding the existing conditions peak discharge by temporarily ponding excess water within 30 percent of interior private streets. Based upon the results of the 1998 drainage study, no drainage-induced impacts would occur to the adjacent wetland complex.

Approved 1998 Mitigation Measures

Mitigation Measure 12

Prior to any alteration of the overall project site by grading or filling activity, a hydrological analysis of the drainage patterns affecting the on-site wetland area or adjacent wetland area shall be conducted by the developer. Such analysis shall determine the drainage effects on the wetland portion of the site. No development, grading or alteration of the project site shall occur which affects the wetlands or adjacent wetlands

without fully analyzing the effects on the on-site wetland and adjacent wetlands. The developer shall provide evidence to the City and to the department of Fish and Game that the project's runoff management system will deliver approximately the same amount of freshwater urban runoff to these wetlands as under existing conditions, and in approximately the same seasonal pattern. This evidence shall include (a) a hydrological analysis comparing the existing and post-project water supply, and (b) drawings and a description of the runoff conveyance system in sufficient detail for a qualified engineer to judge its adequacy. The State Department of Fish and Game shall be consulted regarding alteration of the drainage pattern of the site, which may affect the above-mentioned wetlands. The developer shall provide the Community Development Department with a written report substantiating compliance with this mitigation measure prior to submittal of grading plans or permit issuance for each phase.

Mitigation Measure 13

If the developer proposes to increase or decrease the water supply to the wetlands east of Beach Boulevard, or to change the seasonal pattern, the developer shall provide, in addition to the evidence required in the prior mitigation measure, a biological analysis demonstrating that there would be no significant adverse impacts on the wetlands or associated wildlife.

Current Environmental Setting

In 1998 and 1999, the existing on-site drainage patterns of the entire Waterfront project area plus the tributary land to the west were evaluated by Fuscoe Engineering (Drainage Study The Waterfront Huntington Beach, Fuscoe Engineering, July 1998; Hydrology & Hydraulic Report for Ocean Grand Resort at The Waterfront Huntington Beach, Fuscoe Engineering, March 4, 1999). The final 1999 report determined that in a 25-year storm event, 122.6 cubic feet per second (cfs) flowed to the existing 60" storm drain at the northern boundary of The Waterfront site, which continues northward through Tract 9580 to the Atlanta Pump Station. Additionally, in a 25-year storm event, approximately 76.07 cfs flowed eastward through an existing culvert under Beach Boulevard to the existing wetland east of Beach Boulevard. With the completion of the Hyatt Regency Huntington Beach Resort & Spa and the Waterfront Residential component of the Waterfront Development project, the required drainage system improvements for project build-out have been in place and functioning since 2002. The storm drain system was designed so that essentially the same rate of flow, 75.82 cfs in a 25-year storm, is discharged to the wetland east of Beach Boulevard, thereby ensuring an adequate recharge of fresh water to preserve the biotic resource of the wetland. The resulting design collects storm drain flows from the subject site and the Hyatt Regency Resort site, as well as portions of surrounding streets, and directs them under Beach Boulevard to the wetland east of Beach Boulevard. All of these storm drain improvements were completed pursuant to plans and a hydrological analysis prepared in conformance with the requirements of previously described Mitigation Measures 12 and 13, and in total constitute the final storm drain infrastructure for the Waterfront Development Project.

Impacts of Current Project/Project Comparison

The proposed project site currently consists of interim uses including a pavilion tent for social events, a function lawn and wedding gazebo, one tennis court, one volleyball court, and surface parking. The site currently drains to the permanent drainage system within Pacific View Avenue. That drainage system serving this site was designed and constructed per the previously referenced hydrology and hydraulic report that was approved by the Public Works Department in 1999. The 1999 final hydrology report determined that the subject site currently generates 11.12 cfs into the storm drain system in a 25-year storm. Based on the existing and proposed impervious nature of the project site as well as the proposed project design, the quantity of runoff shall not vary significantly from this pre-determined flow established by the 1999 hydrology report. By generating a similar quantity of storm water flow, downstream impacts should not be adversely affected.

However, a WQMP was prepared and approved for the proposed project (included as Appendix B). Per the request of City staff, the WQMP design includes diversion of the 85th percentile first flush stormwater runoff to the existing treatment wetlands west of Beach Boulevard, satisfying the City's concern of lack of sufficient flows to this wetland facility. This will ensure that low flows from the site reach appropriate biofiltration treatment and maintain the health of this wetland facility. Higher storm flows from the site (and the surrounding area) will continue to discharge to the existing public storm drain in Pacific View Avenue and continue into the existing wetlands east of Beach Boulevard, maintaining the necessary flows for the health of this wetland facility. As the project-specific WQMP has been designed and approved by the City to satisfy the health of both the treatment wetland and that east of Beach Boulevard and no significant change in the quantity of runoff is planned, a further biological analysis is not required (consistent with SEIR 82-2 Mitigation Measure 13). No new significant impact or significant increase in the severity of the previously analyzed impact would occur with respect to off-site biotic resources.

Mitigation Analysis

Mitigation Measures 12 and 13 would still apply to the currently proposed project. However, the drainage infrastructure and the other portions of the Waterfront Development Project have previously been completed in conformance with Mitigation Measures 12 and 13, and the proposed development site is already connected to that infrastructure. The storm drain system and WQMP for the Waterfront Development has been designed in accordance with the City's request to maintain a sufficient quantity of stormwater runoff into both the residential treatment wetland and the wetland east of Beach Boulevard to ensure the health of these wetland facilities. This change or redirection of existing flows was requested and approved by City staff and, consistent with SEIR 82-2 Mitigation Measure 13, would not substantially alter the amount of stormwater flow into the off-site wetland. Since no significant change in runoff flows is expected due to the impervious nature of the site and preparation and approval of the WQMP has satisfied City requirements and the health of both the nearby wetland facilities, further hydrological analysis of drainage patterns affecting nearby wetlands per Mitigation Measure 12 or a further biological analysis per Mitigation Measure 13 is not required. No new or different mitigation would be required to reduce this impact.

3.4 LAND USE

Initial Environmental Setting (1998)

As described in Addendum #1 to SEIR 82-2, the proposed project site was occupied in 1998 by the closed two story-hotel/restaurant (the Huntington Beach Inn) and its attendant parking and guest amenities. As part of the continuing development of the Waterfront Project, the Hilton Waterfront Beach Resort had already been completed, and the current proposed project site was designated as the third hotel portion in 1998. The remainder of the Waterfront Development Project site consisted of:

- 102 mobile homes
- Non-regulation 9-hole pitch and putt golf course
- 732 parking spaces, which are located at the Hilton Waterfront Beach Resort; along Pacific View Avenue; surrounding the tennis courts; at the pavilion tent; in front of the abandoned Huntington Beach Inn; and adjacent the Driftwood Clubhouse
- Vacant property and a City owned access/overflow parking lot along the Beach Boulevard frontage, also referred to as the "beach remnant parcel"
- City maintenance yard

In 1995, the City undertook a comprehensive update to the General Plan and the Downtown Specific Plan, which served to significantly reduce land use intensity throughout the City. This resulted in the elimination of approximately 500,000 square feet (sf) of mixed-use commercial uses in the downtown area, and a reduction in allowed residential density. When the 1998 Addendum #1 to SEIR 82-2 was evaluated, the City of Huntington Beach had adopted or approved a General Plan, Downtown Specific Plan, Downtown Design Guidelines, Local Coastal Program, Zoning Ordinance, and the Main-Pier Redevelopment Plan. These documents set forth the specific land use designations to guide the way by which the property may be developed. At that time, all existing land uses on the Waterfront Development Project site, which included the Hilton Waterfront Beach Resort and the constructed portion of Pacific View Drive, were consistent with the regulating plans and land use designations.

As of 1998, the land uses surrounding the Waterfront Development Project site were similar to those evaluated in SEIR 82-2. Development activity had occurred in the downtown area, principally on Main Street, although at a reduced scale due to the land use planning changes described above. Land clearing, grading and some oil well abandonment activities had occurred on the vacant property west of the Hilton Waterfront Beach Resort; however, no specific project entitlements had been granted or issued at that time.

Impacts of the 1998 Project

The 1998 project was significantly reduced from that approved in 1988. Even with those reductions, however, the project was substantially more intense than the two-story motel, 9-hole pitch-and-putt golf course, and mobile home park (developed at 13.3 units/acre) that existed on the site at that time. However, the 1998 project, with implementation of recommended mitigation measures, was consistent with all applicable plans, policies, and regulations, which include:

- City of Huntington Beach General Plan
 - > Land Use
 - > Urban Design
 - > Historic and Cultural Resources
 - > Economic Development
 - > Growth Management
 - > Housing (with mitigation)
 - > Circulation (with mitigation)
 - > Public Facilities and Services
 - Recreation and Community Services (with payment of park development and "fair share" fees)
 - > Utilities
 - > Environmental Resources/Conservation
 - > Air Quality
 - > Coastal (with mitigation)
 - > Environmental Hazards
 - > Noise (with mitigation)
 - > Hazardous Materials
- Local Coastal Program
- Downtown Specific Plan
- Main-Pier Redevelopment Project Area
- Downtown Design Guidelines

Land use compatibility impacts were present in the 1998 project, as the commercial uses—namely the existing Hilton Waterfront Beach Resort, and the proposed two additional hotels—would not be compatible with either the existing mobile home park or the proposed Waterfront Residential Development. This incompatibility was to be reduced by the completion of Pacific View Drive, which would separate the commercial uses from the residential uses. The impacts associated with land use incompatibility were further reduced by the significant reduction in size and intensity of the 1998 project from the approved 1988 project.

The 1998 project site included the remaining 102 mobile homes, which were to be removed as part of the Waterfront Development Project. In 1998 the Redevelopment Agency, the Applicant, and the affected mobile home owners entered into an amended Mobile Home Acquisition and Relocation Agreement (MARA) to reflect the circumstances in 1998. Refer to Section 3.28 (Socioeconomic Impacts) for a further discussion on the impacts relating to the closure and removal of the mobile home park from the project site.

Both the 1983 and 1995 Downtown Specific Plans and the Downtown Design Guidelines identified a contemporary Mediterranean design theme to be used throughout the downtown area. The purpose of selecting a uniform design theme is to ensure that all building designs, signage, landscaping, streetscaping, and lighting are consistent. The project, as envisioned in both 1988 and 1998, was consistent with the Mediterranean style. For example, the Hilton Waterfront Beach Resort has been constructed as a Mediterranean villa, complete with terrazzo tile, queen palms, giant ferns, and birds of paradise. The proposed 1998 project was designed in a similar fashion that would carry the Mediterranean theme throughout the remainder of the Waterfront project site.

Addendum #1 to SEIR 82-2 identified that, unless mitigated, the significant impact identified in SEIR 82-2 would also occur as a result of implementation of the currently proposed project.

Approved 1998 Mitigation Measures

Mitigation Measure 14

The developer shall enhance the property fronting Beach Boulevard with a graduated/meandered landscaped setback of not less than 25 feet for residential and 50 feet for commercial, from curbline, along the distance of the entire frontage. The intent of this landscaped setback is to provide a visual and aesthetic buffer for the property to the east. Appropriate landscaping amenities shall be included, subject to the approval of the Planning Director.

Mitigation Measure 15

Prior to the issuance of building permits for Phase I, the developer shall screen the mobile homes at Pacific Mobilehome Park (at the western portion of the project site) by means of a 6-foot-high block wall (the length of which to be determined by further acoustical study) on top of a 1½-foot-high berm. Substantial mature landscaping shall also be provided to the approval of the Planning Director. The purpose of this wall is for aesthetic screening and noise attenuation.

Mitigation Measure 16

The developer shall complete the site plan review process established within the Conditional Use Permit regulations to ensure compatibility with all elements of the City's General Plan and the Local Coastal Program established by the Coastal Commission.

Current Environmental Setting

All of the existing land uses, which now include the Hilton Waterfront Beach Resort, the Hyatt Regency Resort, the Waterfront Residential component (including its on-site 3.4-acre wetland habitat), the proposed project site, as well as the completed Pacific View Avenue and Twin Dolphin Drive, are consistent with the General Plan, (revised) Downtown Specific Plan, Downtown Design Guidelines, Zoning and Subdivision Ordinance, Local Coastal Program, and the Main-Pier Redevelopment Program.

Other than the Hilton Waterfront Beach Resort and the now preserved wetland area, none of the land uses present in 1998 remain as the Waterfront Development Project is nearing completion and the proposed project is in its final phase.

In February 2004, the City of Huntington Beach approved the Final EIR for the Pacific City Project, the vacant land west of the Waterfront Development Project site and adjacent to PCH, with entitlements for

the development of 31.5 gross acres of vacant land. Project components include a visitor-serving/neighborhood commercial center, which would include retail, office, restaurant, cultural and entertainment uses; a residential village, and private and public open space; as well as vehicular and pedestrian improvements including the extension of Pacific View Avenue between Huntington and First Streets. This development is also consistent with the City of Huntington Beach General Plan and Downtown Specific Plan. In November of 2009 the City Council approved an amendment to the Downtown Specific Plan that revised the district designations; under this amended plan the site is located within District 3; however, the 2009 Downtown Specific Plan has not yet been certified by the CCC and therefore, the proposed project would be required to conform with the 2002 amended Downtown Specific Plan. It should be noted that the 2009 Downtown Specific Plan provides for the development of a third hotel at the Waterfront Development Project site in the interim use area, consistent with the proposed project.

Impacts of the Current Project/Impacts Comparison

As previously stated, the proposed project is located within the City of Huntington Beach's Downtown Specific Plan District 9, which is zoned for Commercial/Recreation. In 2002, the City revised the Downtown Specific Plan; however, there are no significant changes from the Specific Plan as evaluated in 1998 from that revised in 2002. Section 4.11.01 of the Downtown Specific Plan discusses uses allowed in District 9:

- (a) The following list of commercial recreation uses in District 9 may be allowed. Other visitor serving related uses as described in the Land Use Plan, and which have the same parking demand as the existing uses not specified herein may be allowed subject to the approval of the Director. For example:
 - Carts and Kiosks pursuant to Section 230.94 of the Huntington Beach Municipal Code
 - Retail Sales
 - Tourist related uses
 - Outdoor dining pursuant to S.4.2.33
- (b) The following lists of uses and any new construction, or change of such use in District 9 may be allowed subject to approval of a Conditional Use Permit. For example:
 - Dancing and/or Live Entertainment
 - Hotels, motels
 - Recreational Facilities
 - Restaurants

As evaluated in the 1998 Addendum #1 to SEIR 82-2, the proposed project site was to be occupied by a 300-room, first-class hotel. Under the current plan, the proposed project would be a 151-room expansion of the existing Hilton Waterfront Beach Resort. The proposed project site is subject to an existing development agreement ("Development Agreement") between the City and the developer for The Waterfront master planned development project. Pursuant to Section 1.4 of that Agreement, the City has determined that the Development Agreement is consistent with the General Plan, the Specific Plan, the Local Coastal Plan, and Chapter 246 of the Zoning Ordinance. The Development Agreement for The

Waterfront project provides in Section 3.1.1.1(d) that the subject project shall conform to Option 1 or 2 for the Phase 3 Permanent Use as set forth in the Commercial Master Site Plan. The approved Commercial Master Site Plan provides for either (1) a 300-room first-class hotel or (2) a 150-room first-class all-suite hotel. Further, the Commercial Master Site Plan provides guidelines for several development parameters, including the maximum height of the hotel tower and the location of buildings on the site. The proposed site plan is consistent with the provisions of the previously approved Commercial Master Site Plan. The proposed project is in conformance with the potential uses for the site specified in the Development Agreement, and therefore, does not conflict with the General Plan, the Specific Plan, the Local Coastal Plan, and Chapter 246 of the Zoning Ordinance. For the purposes of analysis under CEQA, this use would be consistent with the uses allowed in Downtown Specific Plan District 9.

The project applicant also requests approval of special permits for (1) miscellaneous improvements over 42" in height such as glass windscreens and landscape retaining walls within project setbacks; (2) tandem parking in the valet-only garage; and (3) miscellaneous variations in parking stall dimensions, clearances, and ramp slopes in the valet-only garage. Such requested special permits are allowed under the Downtown Specific Plan and are consistent with similar special permits previously issued for the existing hotels at The Waterfront. Further, the applicant would be required to apply for and receive a number of approvals including, but not limited to, the following:

- Conditional Use Permit for the Third Hotel on the Interim Use Site
- Coastal Development Permit for the Third Hotel on the Interim Use Site
- Special Permits
- Authority to Approve Modifications (if applicable)

The proposed project would not conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project, including, but not limited to the General Plan, Downtown Specific Plan, Local Coastal Program, or Zoning Ordinance. Therefore, no significant new impact or significant increase in the severity of a previously analyzed impact would occur with respect to land use.

Mitigation Analysis

As the Waterfront development has moved forward, several potential impacts have been eliminated by implementation of the project. Mitigation Measure 15 is no longer applicable since the mobile home buyout has occurred and all on-site coaches have been removed. In addition, the 6-foot-high wall was constructed and now provides the Waterfront Residential Development with aesthetic screening and noise attenuation. Also, Addendum #2 to SEIR 82-2 identified that Mitigation Measure 14 would not apply to the preserved on-site wetland because this area is intended to remain in its natural state. Instead, the wetland itself will provide the visual and aesthetic buffer described in the mitigation measure. Additionally, the proposed project would not require a change to the Waterfront Development Project site along Beach Boulevard, and therefore, this measure simply reflects existing setback requirements and does not in itself constitute mitigation for a conflict with land use policy, planning, or regulation.

It is anticipated that Mitigation Measure 16 would still be applicable to the proposed project and would ensure that the land use compatibility impacts identified above would remain less than significant. Further, it should be noted that Mitigation Measure 16 simply reflects existing processing regulations and does not in itself constitute mitigation for a conflict with land use policy, planning, or regulation. No new or different mitigation would be required to reduce this impact.

3.5 TRAFFIC/CIRCULATION

Initial Environmental Setting (1998)

Huntington Avenue, Beach Boulevard, and Pacific Coast Highway (PCH) were, and continue to be, the primary roadways providing regional and local access to the proposed project site. At the time of SEIR 82-2 approval, the intersections of Huntington Street/Pacific Coast Highway, Beach Boulevard/Pacific Coast Highway, Lake Street/Pacific Coast Highway and Main Street/Pacific Coast Highway operated at an acceptable Level of Service (LOS); PCH operated at an unacceptable LOS. At that time (1988), several arterial improvements were planned in the vicinity of the project site, including the widening of PCH; the construction of Walnut Street, and the realignment of Delaware Street.

Circulation system improvements planned in 1988 that have been completed include the widening of PCH in the immediate project vicinity to six through lanes between 1st Street and Main Street as well as the construction of Pacific View Avenue (formerly Walnut Avenue) from Huntington Street to Beach Boulevard. Other improvements have occurred in the project vicinity, but they are not significant to the proposed project site; therefore, they are not specifically discussed in this Addendum.

The following streets continue to encompass the project area:

- Atlanta Avenue, running east/west to the north of the project site;
- Pacific Coast Highway running east/west adjacent to the south of the project site;
- Huntington Street, Lake Street, and Main Street running north/south to the west of the project site;
- Beach Boulevard running north/south to the east of the project site; and
- Pacific View Avenue running east/west through the center of the project site and connecting the Hilton Waterfront Beach Resort to Huntington Street and Beach Boulevard.

As previously discussed, a comprehensive update to the General Plan that significantly reduced the land use intensity on a citywide basis was completed in 1996. As a result, approximately 500,000 sf of mixed-use commercial uses were eliminated in the downtown core area. This reduction in land use intensity significantly reduced the traffic forecast in the area. Consequently, the amount of ambient traffic forecast in the 1988 traffic analysis was significantly higher than that forecasted in the 1996 General Plan. Additionally, the Pierside Village retail and restaurant project planned for the east side of the pier, which had been separately added to the General Plan build-out background calculations in 1988, has been replaced by a far smaller restaurant development and public plaza, further reducing potential background traffic levels. Furthermore, all of the intersections evaluated in 1988, as well as the additional intersections evaluated in

1997, operated in 1998 at LOS A or B, indicating that additional traffic volumes could be accommodated at that time without exceeding capacity.

Impacts of the 1998 Project

In 1998, a subsequent traffic analysis was completed to summarize existing 1988 traffic conditions, 1988 cumulative-plus-project conditions, 1996 General Plan build-out conditions with the previously approved project, 1998 conditions, and 1996 General Plan build-out conditions with the 1998 proposed project (Waterfront Ocean Grand Resort Transportation and Circulation Analysis, LSA, July 2, 1998). The 1998 LSA traffic study included a site-specific traffic analysis, a signal warrant analysis (for three new intersections), a signal progression analysis along Pacific Coast Highway and Beach Boulevard, a sight distance analysis (for project access along Pacific View Avenue), and a parking study.

The updated traffic study examined the same intersections as the traffic study conducted for SEIR 82-2, as well as the following seven additional intersections:

- Magnolia Street/Pacific Coast Highway
- Newland Street/Pacific Coast Highway
- Twin Dolphin Drive/Pacific Coast Highway
- Beach Boulevard/Atlanta Avenue
- Huntington Street/Atlanta Avenue
- First Street/Pacific View Avenue
- First Street/Atlanta Avenue-Orange Street

The additional intersections were evaluated as part of the Congestion Management Plan (CMP) analysis. In 1990, California voters passed Proposition 111, which established a gas tax for the purpose of funding transportation improvements statewide. For a city to be eligible for these funds, projects must be consistent with the adopted CMP and not create impacts on CMP facilities. Pacific Coast Highway and Beach Boulevard are designated as CMP facilities.

The Orange County Measure M Growth Management Program (GMP) was also adopted in 1990. This authorized the imposition of a sales tax for necessary transportation improvements countywide. Cities must satisfy a variety of requirements to be eligible for Measure M funding.

Each of these programs established guidelines for the preparation of a traffic impact analysis, including a level of service policy and study area determination for arterials and intersections. However, these programs were not in place when the 1988 Waterfront Development Project was approved. Consequently, neither a CMP nor GMP Traffic Impact Analysis is specifically required for this project. Nonetheless, the Applicant studied the additional intersections that were not analyzed in 1988 in recognition of the requirements of the CMP and GMP in 1998.

Taking into consideration the 1996 revisions to the City's General Plan, the average daily trips (ADT) associated with the initially proposed project would be reduced from 27,052 to 22,495, for a total

reduction of 4,557 ADT (437 AM peak hour and 205 PM peak hour trips). Furthermore, all six study area intersections would operate at acceptable levels of service. This updated information is provided to allow for an analogous comparison of the initially proposed project with the currently proposed project, assuming the revised 1996 General Plan build-out conditions.

The 1998 project was significantly lower in total trip generation than the previously approved project due to the reduction in project size. The 1998 traffic analysis projected a total of 12,591 ADT's for the revised development plan, including the existing Hilton Waterfront Beach Resort. This represented a reduction in traffic generation of 53 percent for the 1998 project from that forecasted to occur pursuant to SEIR 82-2. Additionally, background traffic levels had been reduced due to the revision of the General Plan, which lowered build-out densities in the downtown area. As compared to the previously proposed project under 1996 General Plan build-out conditions, the total traffic generated by the 1998 project was reduced by 44 percent. In addition, assuming 1996 General Plan build-out conditions, the reduction in overall project size correlated to an improvement in the intersection LOS for Beach Boulevard/Pacific Coast Highway, which goes from LOS C to LOS B in the AM peak hour. Of the additional seven intersections evaluated, all would have operated at acceptable levels of service after implementation of the 1998 project. In summary, no significant impacts would have occurred to any of the studied intersections or the arterial streets as a result of the 1998 project.

Approved 1998 Mitigation Measures

Prior to the issuance of a certificate of occupancy for each phase of the commercial portion of the project, the developer shall provide a Transportation System Management Plan to the Community Development Director. At a minimum, the plan shall include the following:

Mitigation Measure 17	The provision of bus or shuttle services to regional activity centers within the County will be provided to hotel visitors.
Mitigation Measure 18	The provision of shuttle services to local activity centers, including Main Street and the City and State beaches, will be provided to hotel visitors.
Mitigation Measure 19	The provision of at-grade and elevated crosswalks to facilitate pedestrian access to beach amenities.
Mitigation Measure 20	Employee use of public transportation shall be promoted by selling bus passes on site.
Mitigation Measure 21	The provision of bus shelters, benches, and bus pockets near the proposed project, subject to review by the Orange County Transportation District.
Mitigation Measure 22	The provision of monitored or gated security facilities at all parking facilities to control use.
Mitigation Measure 23	The provision of a southbound left-turn lane at the intersection of Huntington Street/Pacific Coast Highway to improve the flow of left-turning traffic.
Mitigation Measure 24	Prior to approval of each subsequent phase beginning with Phase 3 of the project, the Planning Commission shall determine the need to conduct a traffic study. This

determination will be made in consideration of original technical assumptions and changed traffic or land use conditions. If an additional study is required, the study shall include summer and non-summer peak hour conditions. The study shall be based on local conditions utilizing local statistics and recent traffic counts. The traffic analysis shall be used to determine if additional significant impacts exist which were not addressed in final SEIR 82-2.

Current Environmental Setting

To determine whether there was a substantial change to the existing conditions compared to the conditions analyzed in the 1998 LSA study, new peak-hour traffic counts were conducted at the study area intersections. The new traffic counts include traffic generated from the Hyatt Regency Resort, which was considered vacant at the time of the 1998 LSA study.

Project LOS Comparison

Levels of service (LOS) analysis based on the Intersection Capacity Utilization (ICU) methodology was conducted at the 13 study area intersections, similar to the 1998 LSA study. Additionally, all Caltrans-controlled intersections (intersections located on a California State Highway [i.e., PCH and Beach Boulevard]) and unsignalized (stop-controlled) intersections within the study area have been analyzed using the Highway Capacity Manual (HCM) methodology. The HCM methodology was not used in the previous 1998 analysis. The LOS analysis reflects a 120-second cycle length for the signalized study area intersections (a 130-second cycle length was used for signalized intersections along Beach Boulevard). The existing pedestrian-only phase at Main Street/PCH is also reflected in the LOS analysis (i.e., 30-second clearance interval). The City of Huntington Beach considers the upper limit of LOS D, represented by an ICU value of 0.90 or lower, as satisfactory operation for study area intersections. However, the upper limit of satisfactory operation for Orange County Congestion Management Plan (CMP) intersections (i.e., Beach Boulevard/PCH) is LOS E, represented by an ICU value of 1.00 or lower. An ICU value in excess of 0.90, LOS E or F, (or in excess of 1.00, LOS F, at Beach Boulevard/PCH) is considered unsatisfactory.

A comparison was made between the current (2010) LOS and the previous LOS in the 1998 LSA study (which were based on 1997 conditions).² This comparison showed that current conditions are generally similar to conditions reported in 1997. The intersection of Main Street/PCH operated at LOS C (0.79 ICU) in the PM peak hour in 1997; however, improvements to that location have occurred since that time and the intersection now operates at LOS B or better in both peak hours. One change that has occurred since 1997 is the widening improvement on PCH to provide six through-lanes between 1st Street and Main Street. Based on 2010 traffic conditions, Beach Boulevard/Atlanta Avenue currently operates at LOS D in the PM peak hour, and Huntington Street/Atlanta Avenue operates at LOS C in the PM peak hour. All other intersections analyzed in the 1998 LSA traffic study (1997 conditions) currently operate at LOS A and B, similar to conditions in 1998. Therefore, substantial changes in the baseline or existing traffic conditions have not been identified since the 1998 study. Additionally, it should be noted that the ICU at several intersections has improved between the 1998 and 2010 studies.

² Waterfront Hotel Expansion: Traffic Impact Assessment. LSA Associates, Inc. December 2, 2010.

Cumulative/Future LOS Comparison

An LOS comparison for future General Plan build-out conditions was also made between the future horizon identified in the 1998 study and the future horizon analyzed as part of the DTSP traffic analysis (2009)³. The 1998 study was based on traffic forecast data from the City's 1996 General Plan traffic model while the DTSP update utilized the City of Huntington Beach Traffic Model (HBTM) to forecast the 2030 General Plan build-out traffic volumes. However, both of these models are consistent with the City General Plan.

One of the cumulative projects analyzed in the DTSP TIA for future short-term (2020) and long-term (2030 General Plan) conditions was the Waterfront Hilton Hotel (i.e., the proposed expansion of 250 rooms). Based on this cumulative project description, the currently proposed third hotel (151-net-room expansion) is within the maximum number of rooms analyzed in 1998. As such, there are no substantial changes to the project or cumulative conditions than previously analyzed.

As a result of the cumulative/future LOS comparison, it was found that all 13 study area intersections would operate at acceptable LOS with implementation of the Hyatt Regency Resort. Four intersections were forecast to operate at LOS D (Main Street/PCH, Magnolia Street/PCH, Newland Street/PCH, and Beach Boulevard/Atlanta Avenue); however, this is within the City's LOS standard. For reference, the DTSP TIA concluded that the 13 study area intersections would operate at an acceptable LOS in the General Plan buildout condition, including the proposed project.

Based on this information and comparison, all study area intersections would operate at an acceptable LOS in the cumulative/future condition. The operation of many of the intersections has improved since the 1998 traffic study, despite the change in development in the area since that time. As such, no substantial changes in the cumulative/future conditions have been identified.

Additional Considerations

Due to the potential for changes in conditions since 1998, and as a result of information that came out of the DTSP and DTSP TIA preparation processes, the City requested the evaluation of operational conditions at the Lake Street/Orange Avenue intersection. According to the DTSP TIA, the unsignalized intersection of Lake Street/Orange Avenue is forecast to operate at unsatisfactory LOS F in the PM peak hour under 2030 with the DTSP. In the AM peak hour, this intersection is forecast to operate at satisfactory LOS B under 2030 with the DTSP. The two proposed mitigation options identified in the DTSP TIA include provision of two eastbound and westbound through lanes on Orange Avenue (including the removal of on-street parking) or installation of a traffic signal. Either of these improvements would achieve acceptable LOS at Lake Street/Orange Avenue in the PM peak hour. The purpose of the requested analysis is to determine whether the proposed project would significantly contribute to the future operational deficiency at this intersection.

³ The Downtown Specific Plan Traffic Impact Analysis (DTSP TIA) was prepared by Kimley-Horn and Associates, Inc., June 2009.

Impacts of Current Project/Impacts Comparison

As outlined in the current traffic study prepared by LSA, the proposed project is forecast to generate approximately 1,234 average daily trips (ADT), 85 AM peak hour trips (52 inbound and 33 outbound), and 89PM peak hour trips (47 inbound and 42 outbound). This is consistent with trip generation previously anticipated from the proposed project site. Additionally, as discussed above, existing conditions in the project area have not changed substantially since the 1998 study was prepared. As such, and with the updated intersection study discussed above, the intersections surrounding the project site are forecast to operate at acceptable LOS in the General Plan build out condition. No significant impacts would occur to any of the studied intersections or the arterial streets as a result of the proposed project.

As discussed above, City staff requested the analysis of the Lake Street/Orange Avenue intersection. In order to determine the project trip distribution through Lake Street/Orange Avenue, LSA contacted AFA, the City's General Plan Circulation Element traffic consultant. Using the HBTM, AFA provided LSA with a PM peak-hour select zone assignment for the project Traffic Analysis Zone (TAZ) (TAZ 276), in which this intersection is located. Based on review of the select zone assignment, 4 percent of the PM peak hour traffic generated by land uses within TAZ 276 travels through Lake Street/Orange Avenue. Therefore, the project would contribute approximately four PM peak hour trips at this location (i.e., 4 percent of 89 total PM peak hour trips estimated for the proposed project).

The PM peak hour volumes for the Lake Street/Orange Avenue intersection were estimated, using the estimated project volumes, the assumed DTSP TIA 2030 with DTSP volumes, and existing volumes. The total new traffic anticipated at the Lake Street/Orange Avenue intersection is 1,158 vehicles (i.e., 1,715 PM peak hour vehicles under 2030 with buildout of the DTSP minus 557 existing PM peak hour vehicles). The proposed project traffic represents 0.345 percent of the total traffic growth at the Lake Street/Orange Avenue intersection (i.e., 4 project PM peak hour vehicles divided by 1,158 total new PM peak hour vehicles). Therefore, the new traffic generated by the proposed project would be less than one percent. This is not considered a significant contribution to the intersection volumes and a project contribution to the recommended intersection improvements would not be required. Traffic impacts at the Lake Street/Orange Avenue intersection would be less than significant.

Mitigation Analysis

Mitigation Measures 17 through 23 describe features that are included in the existing Transportation Systems Management ("TSM") Plan. A TSM Plan was previously submitted and approved for the existing Hilton Waterfront Beach Resort; the proposed project is an expansion of that existing facility and would be subject to this previously approved plan. At-grade and elevated crosswalks as required by Mitigation Measure 19 for the Waterfront Development have been previously constructed and would not be required for the proposed hotel expansion project. Additionally, Mitigation Measure 23 is no longer necessary

⁴ The DTSP TIA volumes included a 250-room hotel expansion at the project site, 99 more than the currently proposed 151 net increase in rooms. Therefore, the estimation used for DTSP 2030 with DTSP volumes is conservative.

because a southbound left-turn lane at the intersection of Huntington Street and Pacific Coast Highway was provided with the Hilton Waterfront Beach Resort.

Mitigation Measure 24 required that the Planning Commission shall determine the need to conduct a traffic study prior to the approval of each subsequent phase, beginning with Phase 3 of the 1988 project. However, the traffic analysis completed in 1998, together with the additional analysis conducted by LSA Associates (2010) as described in this Addendum, demonstrates that there is not a significant change in circumstances under which the project would be developed and no significant impacts would occur to any of the studied intersections or arterial streets as a result of the project. Further, as described in this Addendum, the project is significantly lower in intensity than was previously considered in both the 1998 traffic analysis (300-room hotel) and the Downtown Specific Plan Update (250-room hotel). Therefore, a more detailed traffic study is not expected to yield any additional useful data that could assist in analyzing the proposed project further, or result in new or different mitigation measures being proposed. Moreover, the analysis contained in this Addendum is adequate for the analysis of the project under CEQA Guidelines Section 15162. Therefore, the traffic analysis completed in 1998 together with the 2010 analysis prepared by LSA and as described in this Addendum is sufficient to examine the traffic impacts associated with the proposed project. No further traffic study is recommended, no new or exacerbated impacts would result due to the proposed project, and no new or modified mitigation would be required to reduce impacts of the proposed project.

3.6 PARKING

Initial Environmental Setting (1998)

In 1998, parking was provided in five places within the project site. As in 1988, there were 60 parking spaces provided at the Driftwood Clubhouse and 175 parking spaces located in front of the non-operational Huntington Beach Inn. In addition, there were 327 parking spaces provided at the Hilton Waterfront Beach Resort, 20 parking spaces provided at the pavilion tent (on the interim use site), and 122 parking spaces provided along the constructed portion of Pacific View Avenue and within the parking area surrounding the tennis courts. The parking at the Huntington Beach Inn was largely used as overflow parking for the Hilton Waterfront Beach Resort; however, of the 175 spaces available, only 125 were used by the Hilton Waterfront Beach Resort. The remaining 50 spaces were located at the easternmost portion of the parking area and as such were too distant to be effectively used by the hotel. In total, 594 parking spaces were provided for the Hilton Waterfront Hotel.

Impacts of the 1998 Project

Due to the overall reduction in project size, the amount of parking required was reduced proportionately from the 1988 requirement. The initial project entailed a greater number of rooms and amenities to be provided on the project site in comparison to the 1998 plan. The 1998 parking analysis (LSA) concluded that the parking supply for the Hyatt Regency Resort would be 1,000 spaces, which was far in excess of the City's requirement of 583 spaces, based upon a parking rate of 1.1 spaces per guest room. Furthermore, 150 spaces were provided by the use of the interim use site as a surface parking lot. Ninety-seven of these parking spaces would be maintained for the benefit of the existing Hilton Waterfront Beach Resort once the

permanent hotel on the project site is constructed, which would inevitably assist in satisfying the forecasted parking demand. The Amended and Restated Development Agreement (City of Huntington Beach and Mayer Financial, L.P., September, 1998), states:

The Third hotel Portion shall also include an additional 97 parking spaces to meet peak demands for the Hilton Parcel, based upon the 1998 Waterfront Grand Resort Transportation and Circulation Analysis prepared by LSA Associates, Inc., provided such number may be reduced at the time the Third hotel Portion is developed pursuant to an updated parking demand analysis of the Hilton Parcel.

Consistent with the Amended and Restated Development Agreement, the Applicant would have to provide 97 parking spaces for the use of the Hilton Waterfront Beach Resort within the subterranean parking structure to be built with the proposed 290-room hotel on the Waterfront Development Project site. Residential parking requirements were not specifically assessed in the updated parking analysis; however, the developer provided parking for the residential portion in a manner consistent with the City's Zoning and Subdivision Ordinance. Consequently, the 1998 Addendum identified no significant parking impacts as a result of the 1998 project.

Approved 1998 Mitigation Measures

Mitigation Measure 25 Prior to the approval of each phase of the project, the Planning Commission shall determine the need to conduct a parking study. This determination will be made in consideration of the parking ratios applied to previous phases and performance thereof.

Current Environmental Setting

A parking accumulation survey was conducted by LSA Associates, Inc. in February 1994 for the existing Hilton Waterfront Beach Resort. The peak parking demand for the 290-room hotel (including 100 percent occupancy of the rooms, restaurants, and ballroom facilities) was observed to be 427 spaces. The parking surveys included the 150 spaces provided for amenities to the third hotel site. Based on this analysis, a parking rate of 1.47 spaces per room was identified for the existing Waterfront Hilton in the 1994 study. Subsequently, a parking analysis was preformed by LSA Associates, Inc in February 2012 to address the current parking conditions at the site and to determine whether sufficient parking is provided for the proposed expansion (provided as Appendix C to this Addendum). This study looked at industry standard parking rates provided by both the Institute of Transportation Engineers, *Parking Generation*), and Urban Land Institute (ULI) *Shared Parking* information. Further, the parking analysis looked at the parking conditions within the existing Waterfront Hotel, other similar resort hotels in Southern California, as well as other studies prepared for similar hotel complexes in Huntington Beach.

Currently at the existing Hilton Waterfront Beach Resort, there are 321 designated parking spaces; however, since approximately 2004 the Hilton Waterfront Beach Resort and the Hyatt Regency Resort have operated using valet only parking services. Section 3.1.2.3 of the Amended and Restated Development Agreement states that the parking for the commercial portion of the Waterfront Development Project site would be determined at the rate of 1.1 spaces per guestroom (including all uses within the hotel) plus an additional 97 spaces upon, or as otherwise reduced by an updated parking demand analysis.

Impacts of Current Project/Impacts Comparison

Parking would be provided in the expansion project in a single level subterranean garage that would be internally connected to the existing Hilton Waterfront Beach Resort subterranean garage. As with the existing Waterfront Hilton Beach Resort and the Hyatt Regency Resort, the proposed net 151-room expansion of the Waterfront Hilton Beach Resort would operate with valet only parking. The proposed project would provide approximately 261 designated, new parking spaces in a one level, subterranean garage. Four existing parking spaces will need to be removed to connect the existing and new portions of the parking garage however, construction will also result in the consolidation of existing mechanical equipment in the parking garage and will result in the benefit of one additional parking space. The net result of striped parking spaces as a result of the proposed project would be 258 parking spaces, for a total of 579 striped parking spaces in the proposed, consolidated parking garage. However, since approximately 2004, the Hilton Waterfront Beach Resort has operated with 100 percent valet parking services, thereby increasing the number of cars that can be parked at the site. In order to more accurately assess the increase in parking capacity afforded by the 100 percent valet operation at the Hilton, the typical car stacking layouts used by the valet staff in the existing hotel parking garage when conservatively employing stacking were assessed. For purposes of this analysis, a conservative rate of approximately 25 percent was utilized to determine the benefit of valet parking. Based on the 579 total striped parking spaces, valet-only operation of parking at the hotel would increase the total parking capacity by approximately 143 parking spaces, for a total parking capacity of 722 vehicles. Given the total number of hotel rooms on-site of 441 rooms, the proposed parking capacity would result in a net effective parking rate of 1.64, well in excess of all parking requirements established for the project site.

Both the Huntington Beach Zoning Code and the Restated Development Agreement for the Waterfront development set forth a requirement of 1.1 parking space per guest room for the proposed project. Additionally, as discussed above, the Restated Development Agreement also required an additional 97 parking spaces. Based on the total 441 guest rooms proposed, the project would be required to provide 485 parking spaces based on the per-guest-room ratio, and an additional 97 spaces, for a total of 583 parking spaces. This would result in a net effective parking rate of 1.32 parking spaces per hotel room. The provision of a net effective parking rate of 1.64 far exceeds the parking ratio required by both the Zoning Code and the Development Agreement.

When only designated parking spaces are considered, the existing hotel provides a parking ratio of 1.10 spaces per hotel room (321 designated parking spaces for 290 hotel rooms). Under this condition, the proposed expansion provides a parking ratio of 1.73 spaces per hotel room (261 designated parking spaces for the 151-net-room expansion). Combined, the projects would provide 579 designated parking spaces for 441 hotel rooms, a parking ratio of 1.31 spaces per hotel room, far exceeding the minimum requirement per Code and a provision well within the range of typical parking provided for urban and suburban first class hotels such as this.

When considered in concert with the additional capacity afforded by the valet-only conditions, the existing hotel would provide a parking ratio of 1.37 spaces per room (321 designated spaces plus capacity for 79 additional vehicles for 290 hotel rooms). The proposed hotel expansion would provide a parking ratio of 2.13 spaces per room (261 designated parking spaces plus capacity for 61 additional cars for 151 net rooms). Combined the project would provide 722 parking spaces for 441 hotel rooms, a ratio of 1.64 spaces per hotel room.

From a parking demand standpoint, the proposed net 151-room expansion would function in a manner similar to the existing Waterfront Hilton Hotel. Based on the Development Agreement, capacity for 97 of the 322 vehicles proposed for the third hotel would be allocated to the Waterfront Hilton Hotel. When considering capacity for only 225 net parking spaces for the hotel expansion, the proposed project would result in a parking ratio of 1.49 spaces per new hotel room. Therefore, the proposed project would result in a parking capacity in excess of (1) the City's parking code (i.e., 1.1 spaces per room); (2) the 2012 parking demand analysis for the existing hotel (i.e., 1.64 spaces per room); and (3) typical parking standards for resort hotels. Additionally, as discussed above, the proposed project in concert with the existing hotel (and associated parking garages) would result in the provision of a parking ration of 1.64 spaces per hotel room, in excess of the three standards noted above. Therefore, the proposed project would not result in substantial changes to existing conditions and would not result in any new impacts to parking. It should also be noted that the required maximum was projected by LSA Associates in a 2012 study of parking demand assuming 100 percent occupancy of the ballroom, meeting rooms, restaurant, and guestrooms of the existing Hilton Waterfront Beach Resort.

Mitigation Analysis

Mitigation Measure 25 adopted with SEIR 82-2 provided that the Planning Commission shall determine the need to conduct a parking study of each phase of Waterfront Development Project, with consideration of the parking ratios applied to previous phases and the performance thereof. As previously described, the net increase of parking at the site would result in an acceptable parking ratio, exceeding the minimum requirement per Code provision and the Development Agreement, as well as the typical parking provided for urban and suburban first class hotels and resorts. Further, when considered in combination with the adjacent parking garage and valet-only parking, parking would be provided at a ratio of approximately 1.64 spaces per guest room, again in excess of any applicable requirements. Given that the proposed parking capacity would be well in excess of applicable code provisions and would be in compliance with the Development Agreement, a more detailed parking study is not expected to yield any additional useful data that could assist in analyzing the proposed project further, or result in new or modified mitigation measures being proposed. Moreover, the analysis contained in this Addendum is adequate for the analysis of the project under CEQA Guidelines Section 15162. Therefore, the traffic and parking analysis completed in 1998 together with the 2010 analysis prepared by LSA (described in this Addendum) is sufficient for analysis of the proposed project impacts. No further parking study is recommended per the previous mitigation measure, no new or exacerbated impacts would result due to the proposed project, and no new or different mitigation would be required to reduce impacts of the proposed project.

3.7 AIR QUALITY

Initial Environmental Setting (1998)

The general air quality of the South Coast Air Basin, in which the project site is located, is determined by the primary pollutants added daily to the air mass and by the secondary pollutants already present. Secondary pollutants, primarily oxidants (ozone), represent the major air quality problems within the basin. The air quality of the project site is determined by the primary pollutants emitted locally, the existing regional ambient air quality, and the specific meteorological factors that influence the site. The ambient air quality of the area is partially determined by its exposure to major sources of air pollutants, such as freeways, power plants, or industrial sources. Stationary sources and mobile sources within a site, as well as in the general vicinity, can also contribute to local pollutant concentrations. Major point sources are defined as those sources from which a minimum of 100 tons per day of primary and secondary air pollutants are generated.

The nearest air quality monitoring station to the project site is in Costa Mesa. The monitoring data compiled at this station are considered to be representative of the subregional air quality found in Huntington Beach, as well as the project vicinity. However, because the project site is located at the seashore, constant on-shore air patterns tend to disperse air pollutants immediately.

The South Coast Air Basin is under the jurisdiction of the South Coast Air Quality Management District (SCAQMD) and the California Air Resources Board (CARB). The SCAQMD sets and enforces regulations for stationary sources in the basin. The CARB is charged with controlling motor vehicle emissions.

Impacts of the 1998 Project

Construction-related air quality impacts were generally reduced from 1988 project levels, due to the 46 percent reduction in project size, which resulted in a shorter overall construction period. Additionally, the 1998 project was significantly lower in terms of long-term operational impacts due to a reduction in total vehicle trip generation than the previous project, with the 1998 traffic analysis projecting a 44 percent reduction in total ADT volumes. Moreover, background air quality conditions improved since SEIR 82-2 was certified. Nonetheless, the City had indicated their acceptance of adverse, significant, and unavoidable air quality impacts resulting from the initially proposed project, which would be more severe than the 1998 project, by issuance of a Statement of Overriding Considerations. In the Statement of Overriding Considerations, the City has determined that the regional incremental air quality impacts were outweighed by the (1) elimination of blight; (2) replacement of aged, deteriorating, and substandard structures with new first-class, commercial, recreational, and residential facilities; (3) enhancement of access to coastal resources; and (4) increased City and Redevelopment Agency revenues from the project. In addition, the commercial portion of the 1998 project would have been a destination-oriented complex, which should minimize the need for visitor-related trips. Further, locating residential uses near employment centers was anticipated to reduce the housing-jobs imbalance in Orange County and minimize the number of miles workers commute to places of employment, thereby offsetting, to some extent, traffic and regional air quality concerns. Given the many public benefits derived from the 1998 project, the City determined that

the adverse regional air quality impacts were acceptable, and the same determination was made for the 1998 project.

Approved 1998 Mitigation Measures

- Mitigation Measure 26 Dust suppression measures, such as regular watering and early paving of the road shall be implemented by the project proponent at each phase to reduce emissions during construction and grading.
- Mitigation Measure 27
 All parking structures shall be ventilated, in conformance with the Uniform Building Code standards, to reduce vehicle emission levels within the facility. The ventilation plans shall be approved prior to issuance of building permits for each parking structure.
- Mitigation Measure 28 Prior to the issuance of Certificate's of Occupancy for each commercial development phase, a TSM plan, as approved by the Planning Director, shall be implemented and shall include the following components:
 - The provision of bus or shuttle services to regional activity centers within the County for hotel visitors.
 - The provision of shuttle services to local activity centers including Main Street and the City and State beaches during the summer peak periods.
 - The provision of at-grade crosswalks and elevated crossings to facilitate pedestrian access to beach amenities.
 - A program to promote employee use of public transportation, including the sale of bus passes on site.
 - The provision of bus shelters, benches and bus pockets near the proposed project.

Current Environmental Setting

The overall air quality impacts of the project site and southern California in general, have improved since approval of Addendum #1, based on SCAQMD monitoring data and stricter control measures in 2010, as opposed to 1998, and in California, as opposed to any other state. The project site and local area continue to benefit from constant on-shore airflow from the Pacific Ocean and remain within the South Coast Air Basin, which is still under the jurisdiction of the SCAQMD and CARB.

Impacts of Current Project/Impacts Comparison

Construction-related air quality impacts would generally be reduced from 1998 project levels, due to the reduction in project size and in the number of hotel rooms, as well as a shorter overall construction period. Additionally, the currently proposed project would result in lower total vehicle trip generation than the previous project, with the new traffic analysis projecting a reduction in total ADT volumes. Moreover, background air quality conditions improved between 1998 and 2010.

The project Applicant has prepared an updated construction air quality analysis. Emissions during construction were estimated by Mestre Greve Associates using the URBEMIS2007 (version 9.2.4) program

(Memorandum to Shawn Millbern, The Robert Mayer Corporation, Mestre Greve Associates, August 23, 2010 [included as Appendix D]). URBEMIS is a computer program developed by CARB that calculates emissions for construction and operation of development projects. For on-road vehicular emissions, the URBEMIS model utilizes the EMFAC2007 emission rates that have also been developed by CARB. Since little specific information is available regarding the equipment that would be used for construction, the URBEMIS defaults for construction equipment were used by Mestre Greve in their analysis (refer to Appendix D for details regarding construction equipment defaults). It should be noted that the proposed project includes a net construction of 151 new hotel rooms and the interior renovation of five existing hotel rooms and associated corridor space. The interior renovation portion does not include the use of substantial diesel equipment and would benefit from existing ventilation systems. As such, the interior renovation would not result in substantial construction related emissions.

While little or no structure demolition would occur during construction activities, for the purposes of this analysis the following assumptions have been made: an approximately 4,800 square feet tent structure will be removed, 4,022 square feet of hotel will be remodeled, and 1.5 acres of asphalt will be removed. To represent a "worst-case scenario" for analysis purposes, these activities have been modeled as the demolition of a normal building with 5,000 square feet or a building volume of 75,000 cubic feet. Additionally, the grading of the project site will be balanced; no material will be imported or exported. The exception to this is near the end of the project during the landscaping phase; approximately 5,000 cubic yards of fill will be brought in for landscaping purposes as approximately 2.05 acres of the site will be landscaped. The import of the landscaping fill and fine grading during the landscaping phase was incorporated into the URBEMIS2007 model during calculation of project-related emissions from the construction activities.

These calculations assume that mitigation measures to reduce fugitive dust would be implemented, consisting of watering exposed surfaces three times daily and the application of soil stabilizers to inactive areas. These measures are consistent with Mitigation Measure 26, identified in SEIR 82-2, which requires appropriate dust suppression measures to reduce construction activity emission levels. These measures are also consistent with SCAQMD Rule 403—Fugitive Dust and the City of Huntington Beach General Plan policies regarding reduction of construction related emissions.

The projected total emissions for each phase of construction activity are presented below with a comparison to the SCAQMD Regional Thresholds for construction in Table 3-1 (Daily Construction Emissions). As can be seen, no activity exceeds the identified Regional Thresholds. The project approved in SEIR 82-2 in 1998 envisioned up to 300 new hotel rooms while the proposed project would result in a net addition of only 151 new guestrooms, as a result, the proposed project is reduced in building size by approximately 22 percent in total building square footage. The reduced project size, the improvements in regional air quality and the improvements and refinements in air quality modeling account for the reduction in emissions from the project previously analyzed.

Table 3-1		Daily Construction Emissions				
	Daily Emissions (lbs/doy)					
Activity	CO	NO _X	YOC	# PMio	1 PM25	SOx
Demolition	6.6	10.1	1.3	3.8	1.3	0.0
Mass Grading	12.9	23.5	2.9	10.2	3.0	0.0
Fine Grading	12.9	23.5	2.9	11.0	3.1	0.0
Trenching	9.0	16.5	2.0	0.8	0.8	0.0
Construction	9.9	9.5	1.3	0.6	0.6	0.0
Landscaping	7.2	12.2	1.5	10.7	2.7	0.0
Paving	9.4	13.6	2.9	1.1	1.0	0.0
Coating	0.8	0.0	63.4	0.0	0.0	0.0
Significance Threshold	550	100	75	150	55	150
Exceed Threshold?	No	No	No	No	No	No
SOURCE: Mestre Greve Associates	, August 2010					

Similarly, operational air quality emissions would be reduced in comparison to those identified for the 1998 project. Implementation of the proposed project would result a significantly lower trip generation than the previous project, as the 1998 project envisioned up to 300 rooms for the proposed project site, compared to the 151 net rooms that would be added with implementation of the hotel expansion project. Additionally, Mitigation Measure 28 identified in SEIR 82-2 required the provision of bus or shuttle service to local and regional activity centers and a public transportation program for employees would be applicable to the proposed project. The provision of an at-grade crosswalk and bus shelters and benches have been provided in coordination with the City of Huntington Beach and the Orange County Transportation Authority and no new facilities would be required with implementation of the proposed project. By issuance of a Statement of Overriding Considerations, the City had indicated their acceptance of adverse, significant, and unavoidable air quality impacts resulting from the initially proposed project, which would have been more severe than the currently proposed hotel expansion project. In the Statement of Overriding Considerations, the City has determined that the temporary regional incremental air quality impacts are outweighed by the (1) elimination of blight; (2) replacement of aged, deteriorating, and substandard structures with new firstclass, commercial, recreational, and residential facilities; (3) enhancement of access to coastal resources; and (4) increased City and Redevelopment Agency revenues from the project. Moreover, the commercial portion of the project is a destination-oriented complex, which should minimize the need for visitor-related trips. Further, locating the Waterfront residential uses near employment centers has resulted in the reduction of the housing-jobs imbalance in Orange County and reduced the number of miles workers commute to places of employment, thereby offsetting, to some extent, traffic and regional air quality concerns. Given the many public benefits derived from the proposed project, the City has determined that the adverse regional air quality impacts are acceptable. As described above, due to the reduction in building size and the decrease in vehicle trips associated with the hotel expansion project, construction and operation of the proposed project would not result in emissions that would exceed the thresholds established by the SCAQMD. Consequently, no significant new impact or significant increase in the severity of a previously analyzed impact would occur with respect to air quality.

Mitigation Analysis

The mitigation measures approved for the 1998 project, when implemented, would mitigate, to the extent feasible, the significant impacts associated with the proposed project; however, significant and unavoidable impacts may still occur, though they are expected to be lesser in magnitude when compared to the 1998 project. As described above, the calculated construction related emissions assumed implementation of Mitigation Measure 26 and included watering of the construction site three times daily and the application of soil stabilizers. Additionally, the at-grade crosswalk and provision of bus shelters as required by Mitigation Measure 28 have been incorporated into the design of the Waterfront Development project and would not be required for the proposed hotel expansion project. No new or different mitigation would be required to reduce this impact.

3.8 CULTURAL RESOURCES AND ARCHAEOLOGY

Initial Environmental Setting (1998)

The 1998 Addendum #1 SEIR 82-2 cited a paleontological literature review that determined that no fossil localities have been recorded on site, yet significant sites have been found along the bluffs of the Huntington Mesa area, which are located north and west of the project site. Review of archival data revealed that the study area is underlain by Quaternary age alluvium. Due to the geologically young age of the alluvium, there was a low potential for significant fossils in these sediments. Fossil bearing sediments of the San Pedro Formation lie only one mile north of the site; however, monitoring of construction activities associated with the Hilton Waterfront Beach Resort did not reveal significant paleontological materials.

Impacts of the 1998 Project

Although the intensity of development associated with the 1998 project was reduced from the initially proposed project evaluated in SEIR 82-2, the magnitude of earth-disturbing activities was not substantially reduced. Accordingly, the archaeological resources impacts disclosed in SEIR 82-2 were similar, if not identical, to the 1998 project; however, monitoring of construction activities associated with the Hilton Waterfront Beach Resort did not reveal significant archaeological materials. Because the 1998 project did not require deeper excavation than that of the Hilton Waterfront Beach Resort, and the near-surface soil (15 to 20 feet below existing ground level) consists of artificial fill material, the recommendation in Addendum #1 to SEIR 82-2 that no further monitoring for subsequent phases of the project still applied to the 1998 project.

Approved 1998 Mitigation Measures

Mitigation Measure 29 For each development phase of the project a qualified paleontologist, listed with the County of Orange, shall attend the pre-grade meeting with the contractor, developer and City representative to ensure cooperation for the paleontological monitoring.

Mitigation Measure 30 For each development phase of the project a qualified paleontologist, listed with the County of Orange, shall be retained to monitor grading to salvage any fossils exposed by construction activity.

Mitigation Measure 31 For each development phase of the project, if any archaeological or historical materials are found during grading or construction, all work shall cease immediately and a qualified archaeologist shall be contacted in order that the appropriate mitigation measures can be taken.

Mitigation Measure 32 For each development phase of the project, any fossils collected during grading of the Project shall be curated with an appropriate museum facility.

Current Environmental Setting

Since 1998 substantial grading and excavation activities took place on the proposed project site with the demolition of the Huntington Beach Inn and conversion of the project site to the interim use site. These activities resulted in further disturbance of soils capable of supporting archaeological resources, which served to reduce the possibilities of discovery of intact resources. While significant paleontological and archaeological resources were discovered at the Pacific City site, there has been no indication that the proposed project site has equivalent resources. In addition, the underlying soils have not changed and the project site has been developed with surface parking and other hotel amenities since the 1998 project; therefore, there are no substantial changes in the circumstances under which the project is undertaken. Further, the proposed project contains only one semi-subterranean parking level with a floor elevation of +10' MSL which is approximate to the existing grade level of the project site. In comparison, the existing Hilton Waterfront Beach Resort contains two levels of parking with the lower floor elevation at +5' MSL. As a result, significantly less subsurface grading would occur at the proposed project in comparison to the adjacent site of the existing Hilton Waterfront Beach Resort where no paleontological or archaeological artifacts were discovered with continuous monitoring of grading by a qualified paleontologist, thereby resulting in similar impacts to archaeological resources.

Impacts of Current Project/Impacts Comparison

Monitoring of construction activities associated with the Hilton Waterfront Beach Resort, the Hyatt Regency Resort, and the Waterfront Residential Development did not reveal significant paleontological resources materials. Because the proposed project would require less subsurface grading and excavation than that of the Hilton Waterfront Beach Resort, and the near-surface soil (15 to 20 feet below existing ground level) consists of artificial fill material as the interim use site was previously occupied by the Huntington Beach Inn, the recommendation in Addendum #1 to SEIR 82-2 that no further monitoring for subsequent phases of the project would still apply. Consequently, no significant new impact or significant increase in the severity of a previously analyzed impact would occur with respect to cultural or archaeological resources.

Mitigation Analysis

The 2001 Addendum #2 to SEIR 82-2 concluded that Mitigation Measures 29, 30, and 32 are no longer necessary per the project archaeologist; however, Mitigation Measure 31 would still apply, reducing any potential impact to archaeological resources to a less-than-significant-level. No new or different mitigation would be required to reduce this impact.

3.9 PUBLIC HEALTH AND SAFETY—FLOOD

Initial Environmental Setting (1998)

In 1997, FEMA re-designated a portion of the City, including the Waterfront Development Project site, as Zone A-99. This designation indicated that the site may still be subject to flooding in a 100-year flood, but no minimum flood level would be specified and FEMA building requirements would be waived. However, the City could still elect to establish minimum design standards. This action was taken in recognition of the substantial improvements being made to the Santa Ana River Channel and related flood control facilities which lessened the potential impact of the 100-year flood. Subsequently, the FEMA and the County of Orange retained a consulting firm to study the 100-year flood impact resulting from a theoretical failure or overtopping of the Huntington Channel, which runs parallel to the south of Beach Boulevard. That study indicated that flooding up to 4.5 feet above mean sea level would occur, and recommended that an area inclusive of the project site be designated AE (Elevation 5), indicating a projected 100-year flood level of 5 feet above mean sea level. This designation, if adopted, was anticipated to occur in 1999.

In 1998, the existing on-site drainage patterns were evaluated by Fuscoe Engineering (*Drainage Study, The Waterfront Huntington Beach*, Fuscoe Engineering, July 1998). In this report, the drainage patterns following development of the Hilton Waterfront Beach Resort, but prior to any other development in the area, were evaluated. A field visit and careful evaluation of the drainage patterns confirmed that the 1998 conditions were still substantially the same as were originally depicted in 1988. In 1998, the flows to Tract 9580 (and to the Atlanta Pump Station) were 122.6 cfs, while the flows to the wetland east of Beach Boulevard were 65.87 cfs. Both estimates assume a 25-year flood event.

Impacts of 1998 Project

In 1998, the Applicant and City staff agreed to assume a 100-year flood elevation of 5 feet above mean sea level (rather than 11 feet above mean sea level, as previously assumed) in the design of the project, due to re-designation of the flood control potential of the project site by FEMA. To limit the rate of discharge of storm waters from the site to the City's storm water system during a 100-year storm, temporary ponding of water would occur on site. This temporary ponding could be accommodated within selected portions of the private streets of the development, subject to the approval of the City Engineer.

Based upon drainage calculations completed by Fuscoe Engineering in 1998, the revised Waterfront Development Project would deliver approximately the same amount of freshwater urban runoff to the wetland east of Beach Boulevard as was delivered under the 1998 "no-project" conditions. During the 25-year flood event, flows were estimated to be 77.33 cfs without the 1998 project; assuming build-out of the

project site, there would be 81.67 cfs delivered to the adjacent wetlands. This represented an increase in flow of only 5.7 percent.

In 1998, the flows delivered to the Tract 9580 drainage system under the 25-year flood event were estimated to be 116.5 cfs. At 1998 project build-out, the flows to Tract 9580 were estimated to be 125.9 cfs without on-site retention and 116.5 cfs with on-site retention. The method of retention would likely involve temporary ponding on 30 percent of the total interior street area. The benefit of on-site retention is that flows from the project site would not exceed the existing peak discharges to the Atlanta Pump Station. As in 1988, anecdotal accounts by City staff indicated that the capacity of the pump station was inadequate; therefore, the Applicant has agreed to contribute the same amount of flows after build-out of the project as under existing conditions (both in 1988 and 1998, since the flows were identical). With the implementation of the identified mitigation measures, a less-than-significant impact to public health and safety (caused by flood events) was anticipated.

Approved 1998 Mitigation Measures

Mitigation Measure 33 All phases of the project shall conform to mitigation measures specified in EIR 82-2.

Mitigation Measure 34 The Federal Emergency Management Agency (FEMA) requires that developments within

the Special Flood Hazard Zone elevate any habitable areas of a dwelling unit to or above the expected level of flooding for a 100-year event. Non-residential habitable structures must be elevated or flood proofed to FEMA standards. The project shall comply with all mandated FEMA standards. Compliance shall be verified prior to the issuance of building

permits for any phase of the project.

Mitigation Measure 35 For each phase, positive surface gradients shall be provided adjacent to all structures so as to direct surface water run-off and roof drainage away from foundations and slabs, toward suitable discharge facilities. Ponding of surface water should not be allowed on pavements

except where approved by the City Engineer or adjacent to buildings.

Mitigation Measure 36 Prior to the issuance of a grading permit for any phase, a grading plan shall be submitted

to and approved by the Departments of Community Development and Public Works.

Current Environmental Setting

Drainage patterns on the proposed project site are substantially similar as when evaluated in 1998: the site would drain into either existing or recently constructed storm drains and, as required by the City, a drainage plan would be submitted with the Tentative Tract Map for the proposed project. As with the 1998 project, the proposed project would deliver the same amount of flows to the Atlanta Pump Station after project build-out as were delivered in both 1988 and 1998 (flows were identical under both evaluations).

FEMA updated their Flood Insurance Rate Map on December 3, 2009, and designated the proposed project site as Flood Zone X, and therefore the proposed project site is not located within a 100-year flood zone.

Impacts of Current Project/Impacts Comparison

With the completion of the Hyatt Regency Huntington Beach Resort & Spa and the Waterfront Residential component of the Waterfront Development project, the required drainage system improvements have been in place and functioning since 2002. The storm drain system for those components of the Waterfront Development Project was designed so that essentially the same rate of flow, 75.82 cfs in a 25-year storm, is discharged to the wetland east of Beach Boulevard, while the storm drain system for The Hilton Waterfront Beach Resort project was designed and constructed so that not more than 122.6 cfs flows to the northern 60" storm drain and to the Atlanta Pump Station. Further, it should be noted that since the 1998 evaluation, the County of Orange implemented improvements along the Huntington Beach Channel, into which the Atlanta Pump Station discharges. These improvements are designed to increase the capacity of the channel to accommodate a 100-year storm event. This would reduce the already less-than-significant impacts from drainage alterations.

In addition, as described above, in December 2009 FEMA designated the proposed project site as having a Flood Zone of X, which effectively removes the project site from the 100-year flood zone. The flood related impacts of the proposed project would not alter the significance conclusions of the 1998 analysis and would not result in new significant impacts or a substantial increase in the severity of previously identified significant impacts.

Mitigation Analysis

Mitigation Measure 35 has been modified in Addendum #2 to SEIR 82-2 to now read, "Ponding of surface water should not be allowed on pavements except where approved by the City Engineer or adjacent to buildings."

The Mitigation Measures approved for Addendum #1 to SEIR 82-2 in 1998, when implemented, would still adequately mitigate adverse flooding impacts associated with the proposed project. While the proposed project is no longer located within a designated 100-year flood zone, Mitigation Measure 34 would still be implemented such that the hotel expansion would be developed to comply with all FEMA mandated standards. No new or different mitigation would be required to reduce flooding impacts.

3.10 PUBLIC HEALTH AND SAFETY—NOISE

Initial Environmental Setting (1998)

The project site remains under the jurisdiction of the City's Noise Ordinance at the time of SEIR 82-2 approval. The exterior noise restrictions remained 65 dBA for daytime events and 60 dBA for nighttime events. Similarly, interior noise restrictions remained 45 dBA. In addition, the circulation system on the key arterials within the study area did not change significantly from the 1988 existing condition. Furthermore, the ambient traffic levels throughout the City were reduced due to the 1996 General Plan Amendment, as well as development that was anticipated in 1988, but never occurred. Accordingly, traffic-related noise in the vicinity of the project site was similar to, or reduced from, the conditions in 1988.

Impacts of 1998 Project

The aboveground parking structure was the focus of substantial concern for impulsive noise impacts to noise-sensitive land uses, such as on-site and off-site residential uses. However, the parking structure for the 1998 project was reduced in size and placed below grade, which further reduced potential noise impacts. Nonetheless, Mitigation Measures 38 through 45 were still required.

Additionally, total project vehicle trip generation was reduced by 53 percent from the trip generation of the 1988 project and the City's overall background traffic levels were also reduced due to the 1996 General Plan Update and development that was anticipated in 1988, but never occurred. Therefore, noise impacts associated with the 1998 project were expected to be significantly reduced in comparison to the 1988 project. This conclusion was based upon qualitative, rather than quantitative, noise data. Further, because noise impacts were not considered significant and adverse for the 1988 project (as evaluated in SEIR 82-2), it was reasonable to conclude that the noise impacts resulting from the 1998 project, when known to be reduced in overall magnitude in comparison to the 1988 project, also would not result in significant, immitigable noise impacts.

Approved 1998 Mitigation Measures

The following measures shall be implemented unless a noise analysis, performed by a registered acoustical engineer and approved by the Director of Community Development, determines that the construction of all or some of the following measures is not warranted:

Mitigation Measure 37 Prior to the issuance of Certificate of Occupancy for each commercial phase, and subject to

approval of the Planning Director, a 6-foot masonry wall shall be constructed adjacent to existing and proposed residential properties along Walnut Avenue. Other sound attenuating design features subject to the approval of the Planning director may be implemented in addition to the masonry wall.

Mitigation Measure 38

Prior to the issuance of building permits for any residential phase, an acoustical assessment shall be conducted documenting that the proposed 6-foot sound walls are adequate to reduce noise levels to 65 dBA or less in private outdoor living areas (i.e., patio areas) of residence only. Additionally, the assessment shall identify the measures necessary to insure that indoor noise levels will be 45 dBA or less, as required by the California Noise Insulation Standards.

Mitigation Measure 39

Prior to the issuance of Certificate of Occupancy for each residential phase, and subject to the approval of the Planning Director, a 6-foot masonry wall shall be constructed adjacent to proposed residential properties along Beach Boulevard. Other sound attenuating design features may be constructed subject to the approval of the Planning Director.

Mitigation Measure 40

Prior to the issuance of building permits for any commercial phase, an acoustical study shall be prepared addressing the guestrooms in the hotel. The study shall identify all measures necessary to reduce noise levels in guestrooms to 45 dBA or less per the California Noise Insulation Standards. Subject to the approval of the Planning Director, the recommended mitigation measures shall be incorporated into the project.

Mitigation Measure 41 Prior to issuance of Certificate of Occupancy for each phase, a landscaped berm shall be constructed between the masonry wall and the curb edge for noise attenuation.

Mitigation Measure 42 Sweeping operations within all of the parking structures shall be restricted to daytime hours, between 7:00 AM and 8:00 PM, Monday through Saturday and 10:00 AM and 6:00 PM on Sundays.

Mitigation Measure 43

A textured parking surface, such as asphalt or textured concrete, shall be used in the parking structure to reduce tire squeal. Compliance with this condition shall be verified prior to the issuance of the Certificate of Occupancy for each parking structure.

Mitigation Measure 44 Design of the parking structure shall incorporate one of the following noise attenuation options:

- Enclose the parking structure's sidewall parallel to the residential area.
- Allow openings in the structure's sidewalls and place a masonry wall on the top level of the structure parallel to the residential areas.
- Incorporate other sound attenuating design feature to the approval of the Planning Director.

Mitigation Measure 45 For each development phase that includes a parking structure, a minimum 130-foot separation between the residential and parking structure uses shall be maintained, or other sound attenuating design features may be incorporated to the approval of the Planning Director. All approved building plans shall reflect the 130-foot separation.

Current Environmental Setting

As stated previously, the project site remains under the jurisdiction of the City's Noise Ordinance at the time of SEIR 82-2 approval. The exterior noise restrictions remain 65 dBA for daytime events and 60 dBA for nighttime events. Similarly, interior noise restrictions remain 45 dBA. As peak-hour traffic counts were conducted in 1997 to determine the existing environmental setting for the 1998 project, new peak-hour traffic counts were conducted at study area intersection to determine whether a significant change to 1997 conditions had taken place. As discussed in Section 3.5 (Traffic/Circulation), the circulation system on the key arterials within the study area did not change significantly from those conditions studied in 1997. Accordingly, traffic-related noise in the vicinity of the project site is similar to the conditions in 1997.

Impacts of Current Project/Impacts Comparison

Construction related noise impacts would be reduced under Section 8.40.090 (Special Provisions) of Chapter 8.40 of the City Municipal Code, as noise sources associated with construction are exempt from the requirements of the Municipal Code, provided that construction activities do not occur between the hours of 8:00 PM and 7:00 AM Monday through Saturday, or at any time on Sunday or a federal holiday. Therefore, similar to the 1998 project construction related noise would be considered less than significant.

The Waterfront Development project as originally approved in 1988 contained up to 1,600 hotel rooms and 875 residential units. In 1998 the project was revised to provide for a total of approximately 1,100 hotel

rooms and 184 residential units, substantially lowering the potential impact of traffic-related noise below that which was disclosed in SEIR 82-2. As a result, Addendum #1 noted that since traffic-related noise impacts were not considered significant in SEIR 82-2, such impacts were reduced further with the revised project and were therefore not considered significant. Further, the project site was approved in 1998 to contain up to 300 new hotel rooms while the proposed hotel expansion project would result in a net addition of only 151 net new guestrooms, again substantially decreasing the potential impacts from traffic-related noise disclosed in SEIR 82-2 and Addendum #1. As a result, the impact of traffic-related noise is anticipated to be less than significant.

Exterior noise levels of nearby residential uses was analyzed in SEIR 82-2 and it disclosed the potential for noise impacts arising principally from short-term impulsive noises such as garage sweepers, car doors and tire squeals from a then-proposed surface parking garage with open side walls. As previously described, the parking for all the hotels at The Waterfront Development project, including the proposed expansion, would be located in fully enclosed subterranean parking facilities. The provision of subterranean parking for the proposed hotel expansion would serve to reduce the already less than significant impact related to parking structure noise levels.

Mitigation Analysis

Mitigation Measures 37 through 39 would not apply to the proposed project, as the identified masonry walls and landscaped berm adjacent to the Waterfront Residential Development and the associated residential acoustical analysis have been completed and the proposed project would not develop new residential uses. Mitigation Measure 40 requiring an acoustical study addressing the guestrooms of the hotel would still apply. Also, Mitigation Measures 41 through 45, while identified in SEIR 82-2 to reduce noise related impacts from surface parking, would still be implemented for the subterranean parking structure and when implemented, would adequately mitigate adverse noise impacts associated with the proposed project. No new or different mitigation measures would be required to substantially reduce the significant effects of the project.

3.11 AESTHETICS—VISUAL

Initial Environmental Setting (1998)

In 1998 the proposed project site was occupied by the already closed Huntington Beach Inn (a hotel/restaurant, with associated parking, and several operational uses, including a tented pavilion, wedding area). Structures associated with the Waterfront Development Project site consisted of a number of low-rise buildings, other than the twelve-story Hilton Waterfront Beach Resort. The City of Huntington Beach General Plan contained measures that governed development within the corridor along PCH to protect and enhance scenic areas and views. Further, the City approved in 1998 a Commercial Master Site Plan that encompassed the project site. The Plan included guidelines for the height and massing of structures on the Project site.

Impacts of 1998 Project

The 1998 Addendum #1 to SEIR 82-2 states that by virtue of the reduced building heights and project size, the proposed 1998 project would have a lesser impact on views from areas surrounding the project in comparison to that originally anticipated in 1988. In total, the number of high-rise structures was reduced from five structures, with heights ranging from nine to 15 stories, to two structures with heights ranging up to 12 stories.

The Statement of Overriding Considerations for EIR 82-2 highlighted the potential for unmitigated view impacts looking northward from the beach and from Pacific Coast Highway. The most significant impact on views from these areas would have been caused by the construction of high-rise structures; however, because the five nine- to fifteen-story high-rise structures planned in the originally approved plan were reduced to two twelve-story high-rise structures in the 1998 proposed plan, overall view impacts from the beach area were reduced in scale. Additionally, the proposed 1998 project generally exhibited more massing at a lower height, and lesser massing at a higher height, in comparison to the originally approved project, which encouraged staggered view envelopes from the beach and maximized views to the ocean from the 1998 project.

It should be noted that some ocean views would have existed from the originally planned residential portion of the project, largely allowed by the construction of four-story housing units. The substantially reduced density of the 1998 revised residential plan consisted of two-story homes that provided limited, if any, ocean views. This impact was not considered significant because it did not affect existing views.

In summary, due to the magnitude of the 1998 project in comparison to the existing on-site land uses, visual impacts were still considered adverse, significant, and unavoidable. Nonetheless, the City indicated their acceptance of adverse significant visual quality impacts resulting from the initially proposed project by issuance of a Statement of Overriding Considerations. In the Statement of Overriding Considerations for SEIR 82-2, the City determined that elimination of the existing blighted structures and the fiscal effects of the project, including an anticipated rejuvenating effect on the downtown area, would outweigh any unmitigated impairment of views. Moreover, the opportunity for greater numbers of people to visit the ocean area would have enhanced overall ocean view enjoyment, which countervailed the limited view impairment from certain vantage points. Therefore, the significant adverse impacts resulting from the revised 1998 project design, which were reduced in comparison to the original project design, were also considered to be acceptable in light of the overall public benefit.

Approved 1998 Mitigation Measures

No mitigation measures were recommended in SEIR 82-2 or Addendum #1 to SEIR 82-2.

Current Environmental Setting

The project site now contains interim uses, including a Wedding Pavilion, a gazebo, an overflow parking area, a tennis court, a sand volleyball court, and ornamental vegetation. As in 1998, the General Plan contains measures to govern development within the PCH corridor, to enhance and protect scenic views,

and the Commercial Master Site Plan remains in effect. The Hyatt Regency Resort lies immediately east from the proposed project site across Twin Dolphin Drive. Directly north of the proposed project site, The Waterfront residential community has replaced the mobile home park. The existing Hilton Waterfront Beach Resort is located adjacent to the proposed project site, and Pacific coast Highway and the beach are located directly south of the proposed project site. The vacant land to the west of the Hilton Waterfront Beach Resort has now been entitled as the Pacific City development, while the remaining land uses surrounding The Waterfront Development Project area site remain largely unchanged.

The proposed project site's main function is that of an overflow parking area for guests of the Waterfront Hilton Beach Resort. The parking area occupies almost half of the 3.4-acre site, with the majority of spaces located on the eastern portion of the site, with access located at the northwest entrance from Pacific View Avenue. The 5,000 sf Wedding Tent, located on the western portion of the site is the most visually dominate feature on the site. Immediately adjacent to the Wedding Tent are support pavilions to the west and landscaped terraced walkways to the north and south. The gazebo and its landscaped walkway occupy the southwest corner of the site, and directly east of the gazebo lay the tennis court and volleyball court. Mature palm trees are planted throughout the proposed project site, and a landscaped buffer, similar in elevation to the Hilton Waterfront Beach Resort, separates the proposed project site from Pacific Coast Highway and Twin Dolphin Drive.

Impacts of Current Project/Impacts Comparison

Implementation of the proposed project would involve demolition of the existing structures and parking areas of the interim use site and development of a nine-story hotel expansion. The architectural style and design, as well as the massing would be similar to that of the existing Hilton Waterfront Beach Resort. As stated in Section 3.4 (Land Use), the proposed project would be designed in such a way to be consistent with the rest of the Mediterranean-styled Waterfront Development Project and consistent with the height and massing guidelines established for the Project site by the 1998 Commercial Master Site Plan. As with the Hilton Waterfront Beach Resort, the proposed project would integrate landscaped buffers from Pacific Coast Highway, and parking would be below grade.

The elimination of blighted structures was listed as one of the benefits of the Waterfront Development in the Statement of Overriding Consideration for SEIR 82-2. As stated above, the Waterfront Development has progressed and the blighted structures on the interim site have been removed, and the proposed project site is currently utilized for spillover parking and other guest amenities for the Hilton Waterfront Beach Resort. While development of the proposed project would change the existing visual character, as stated above, the proposed project is consistent with the use evaluated in 1998, and would be consistent in design and styles with previously implemented portions of the Waterfront Development.

The proposed project would be similar in architectural design, height, and massing as the already completed Hilton Waterfront Beach Resort, and would have to comply with all the City of Huntington Beach General Plan measures that govern development within Pacific Coast Highway to protect and enhance scenic areas and scenic views. Further, implementation of the proposed project would not obstruct or impede views from Pacific Coast Highway southward to the beach or ocean. Even with the implementation of City

policies, and the reduced scale of the proposed project, impacts to scenic views within a scenic highway would be significant and unavoidable, similar to the 1998 project. While these impacts are reduced, they would still be significant and unavoidable with implementation of the proposed project.

Mitigation Analysis

No mitigation measures were required for the project approved in SEIR 82-2. Accordingly, due to the project's reduced scale and magnitude from a visual resources perspective, no new or different mitigation would be required to reduce this impact.

3.12 AESTHETICS—LIGHT AND GLARE

Initial Environmental Setting (1998)

The 1998 project site contains the Hilton Waterfront Beach Resort and a section of Pacific View Avenue. These land uses provide a high level of nighttime illumination due to parking and exterior/interior lighting. The interim use site is currently illuminated by exterior lights for parking; however, this site is primarily used during daylight hours. The remainder of the project site, as reviewed in Addendum #1 to SEIR 82-2, had seen a minor reduction in on-site lighting due to the removal of many of the mobile homes.

Impacts of 1998 Project

The proposed 1998 project eliminated seven of the nine tennis courts and the aboveground parking structure, which would have provided the majority of light impacts of the 1988 project. In addition, the project was reduced in overall scale from five nine to fifteen-story high-rise structures to two twelve-story structures. This reduction in project scale, as well as the change in project design, resulted in fewer and less severe light and glare impacts. No significant impacts are anticipated with adoption of approved Mitigation Measures.

Approved 1998 Mitigation Measures

Mitigation Measure 46 All lighting fixtures in the commercial portion of the project shall be directed so as to prevent "spillage" onto adjacent residential uses.

Current Environmental Setting

The proposed project site is currently being utilized by the Hilton Waterfront Beach Resort as surface parking, with an event pavilion tent and other guest amenities and landscaping. As such, the major source of light and glare on the project site is produced by exterior security lights for parking, and nighttime use of the tennis court. However, consistent with Mitigation Measure 46, light fixtures on the proposed project site are directed in such a way as to illuminate the immediate vicinity so as to prevent "spillage." Adjacent street lighting from Twin Dolphin Drive, Pacific View Avenue and PCH are designed to be consistent with the City of Huntington Beach's arterial lighting standards, such that ambient nighttime light levels within the project vicinity are relatively high.

Impacts of Current Project/Impacts Comparison

Development of the proposed project would insert a nine-story hotel onto land that currently has only one-story facility structures, and the potential for adverse impacts as a result new sources of light and glare are potentially significant. However, the proposed project's architectural design is intended to minimize the amount of glare. For example the addition of amenities, such as overhangs and balconies, would decrease the amount of reflected light. Therefore, the project's design, as well as previously identified mitigation measures assists in mitigating the impacts resulting from the addition of reflective surfaces to a less than significant level. Further, the substantial increase in development since the 1988 and 1998 analyses, including the provision of street lighting along Pacific View Drive and Twin Dolphin Avenue, has resulted in higher ambient nighttime lighting levels than were previously evaluated, and the contribution of the proposed project to the now-existing light levels would, therefore, be reduced. Consequently, no significant new impact or significant increase in the severity of a previously analyzed impact would occur with respect to light and glare.

Mitigation Analysis

Compliance with Mitigation Measure 46 would still be applicable for the currently proposed project, and would serve to mitigate the potentially significant adverse light and glare impacts associated with the proposed project. No new or different mitigation would be required to reduce this impact.

3.13 AESTHETICS—SHADE/SHADOW EFFECTS

Initial Environmental Setting (1998)

In 1998, the project site contained the Hilton Waterfront Beach Resort, which casts a shadow on the hotel's parking area during the winter months. The remainder of the project site contained the same uses as in 1988, which did not cause and were not affected by shade and shadow impacts. Also, as described above in Section 3.11 (Aesthetics-Visual), the City approved in 1998 a Commercial Site Plan that encompassed the Project site. The Plan included guidelines for the height and massing of structures on the Project site.

Impacts of 1998 Project

As described above, the 1998 project redesign reduced the height of the proposed structures, and this redesign reduced the impacts associated with shading or shadow impacts to a less-than-significant level, compared to the 1988 project. Further, the expected impact to the six residential units arose from a different commercial and residential configuration than the 1998 project. Analysis of the proposed 1998 project showed no significant shade or shadow effects on any of the proposed residential units.

Approved 1998 Mitigation Measures

Mitigation Measure 47

The residential site plan shall be modified to move or reorient the six plus, or minus, units noted on pages 96 and 97 in the DSEIR as being affected by shadows for periods of more than four hours.

Current Environmental Setting

The proposed project site is currently being utilized by the Hilton Waterfront Beach Resort as surface parking, with an event pavilion tent and other guest amenities and landscaping. Development of the proposed project would insert a nine-story hotel complex onto that site. The Hyatt Regency Resort and Waterfront Residential development have been completed, and both cast shadows onto the project site. Also, the 1998 Commercial Master Site Plan remains in effect for the Project site.

Impacts of Current Project/Impacts Comparison

The proposed project has been further reduced in height from that proposed in 1998 and would be consistent with the height and massing requirements of the Commercial Master Site Plan. This height reduction would further reduce potential impacts with shade or shadow effects. No significant shade or shadow impacts are anticipated to impact the completed residential units as a result of the proposed project, due to the reduced height and reconfiguration of the proposed development. In addition, the residential portion of the Waterfront Development Project was reduced in scale and reconfigured from that analyzed in 1998, which also serves to reduce the potential impacts from shade and shadowing. No significant new impact or significant increase in the severity of a previously analyzed impact would occur with respect to shade and shadowing.

Mitigation Analysis

Addendum #1 to SEIR 82-2 determined that Mitigation Measure 47 is no longer applicable to the project, as the new configuration of structures to be erected within the proposed project area eliminated the need for the measure by avoiding the identified impact. It is anticipated that the currently proposed project would be configured in a similar manner to the 1998 Project, and that Mitigation Measure 47 would also not apply to the currently proposed project. No new or different mitigation would be required to reduce this impact.

3.14 PUBLIC SERVICES AND UTILITIES—WATER

Initial Environmental Setting (1998)

Water service in the project area was provided by the City's Public Works Department. The City's water supply is derived from two primary sources—imported water from the Metropolitan Water District of Southern California and groundwater from the Orange County Groundwater Basin.

At the time of the 1998 project, an 18-inch waterline was constructed from an existing City water main in Lake Street, across the vacant property west of project site, to the east end of the existing extension of Pacific View Avenue. This water line was to serve Hilton Waterfront Beach Resort, and would be extended with Pacific View Avenue to serve the remaining portions of the project site. The water service facilities for the remaining portion of the project site had not changed significantly since the approval of SEIR 82-2.

Impacts of 1998 Project

Implementation of the 1998 project would have substantially increased the existing on-site consumption of water resources, thereby requiring the extension and/or improvement of local water service facilities. According to the 1987 Water Master Plan, the City's water supply system was inadequate to meet peak hour demands on a citywide basis. Off-site water loops would be installed prior to occupancy of the proposed development, consistent with City plans for provision of water service to the area. A decision and funding commitment for a preferred alternative was made in 1988.

The reduced size of the 1998 project served to commensurately reduce the amount of water consumption in comparison to that anticipated from the originally approved project. Nonetheless, pursuant to the Development Agreement, the City and the Applicant continue to be responsible for providing an adequate supply of water to the project site. The 18-inch water line within Pacific View Avenue is expected to provide ample capacity for the proposed project's land uses.

Approved 1998 Mitigation Measures

Mitigation Measure 48 The project shall conform to the City of Huntington Beach Water System—Design

Criteria. In addition, separate water lines shall be installed for each phase providing a domestic/potable water supply system and a landscape watering supply system. Compliance with this requirement shall be verified prior to the issuance of building permits

for each phase.

Mitigation Measure 49 The following water conservation measures for the internal use of water shall be included

in the project: low flow shower heads and faucets; low flush toilets; insulation of hot water lines in water recirculating systems; compliance with water conservation provisions of the

appropriate plumbing code; reduced water pressure.

Mitigation Measure 50 The following water conservation measures for the external use of water shall be included

in the project: conservation designs utilizing low water demand landscaping (Xeriscape); berming to retain runoff for irrigation; utilization of drip irrigation where feasible; and irrigating only during off peak hours (late evening). Additionally, any water-oriented amenity within the project shall be so designed as to be a self-contained natural or

artificially filtered system which reuses water internal to the system.

Mitigation Measure 51 Adequate water supply shall be provided to the site consistent with alternatives described in

a letter dated October 20, 1987, City of Huntington Beach (Appendix F), pursuant to the

DDA.

Current Environmental Setting

Water service in the proposed project area would continue to be provided by the City's Public Works Department, and the City's water supply is still derived from the same sources as in 1998. In 2005, the Huntington Beach Public Works Department prepared an Urban Water Management Plan (UWMP), which analyzed the City's past and future water pipeline infrastructure, sources, supplies, reliability, and availability. The 2005 UWMP necessarily included the proposed 1998 project as part of future water

demand for the City of Huntington Beach. Further, the Hyatt Regency Resort and the Waterfront Residential Development were completed and included in the forecast for the 2005 UWMP, which was not the case in 1998. Based on the 2005 UWMP, the City of Huntington Beach has an adequate supply of water to serve both projected and existing customers of the City. Additionally, an 18-inch main water line from First Street to Beach Boulevard was constructed in Pacific View Avenue and as 12-inch water line in Twin Dolphin Drive from Pacific View Avenue to Pacific Coast Highway as a part of the Waterfront Development project's infrastructure improvements. These water lines connected to other main water lines in First Street, Huntington Street, Beach Boulevard, and Pacific Coast Highway providing a redundant loop water supply for the Waterfront Development project site. These water lines were originally sized to support the project as originally approved in 1988 that contained up to 1,600 hotel rooms and 875 residential units.

Impacts of Current Project/Impacts Comparison

The major water generators of the 1998 project included a maximum of 300 hotel rooms and approximately 15,000 square feet of meeting space. A development this size is estimated to generate approximately 61,500 gallons per day (gpd), which was reduced from the 1988 project water demand estimates. The proposed project is a further reduction of the project on site and includes a maximum of 151 net, new hotel rooms, approximately 8,000 square feet of a fitness center, and approximately 13,700 square feet of meeting space. This development is anticipated to generate approximately 52,180 gpd, a reduction of approximately 9,320 gpd as compared to the 1988 project. Therefore, the subject project presents significantly less water demand than previously considered in the Water Master Plan and UWMP, SEIR 82-2 and Addendum #1 to SEIR 82-2; therefore, the impact of the Waterfront Development as a whole would remain mitigated to a less-than-significant level. No significant new impact or significant increase in the severity of a previously analyzed impact would occur with respect to water supply.

Mitigation Analysis

Mitigation Measures 48 through 50 were adopted with SEIR 82-2 requiring that the project shall conform to the City's water system design criteria and additionally requiring various water conservation measures. Further, the project is subject to compliance with the City's Water Ordinance as well as Title 24 conservation measures such as low flow fixtures, which would ensure that water consumption is minimized. Mitigation Measure 51 of SEIR 82-2 required that the previously described main water lines be constructed and since those water lines are completed, this mitigation measure is no longer applicable to the subject project. However, Mitigation Measures 48 through 50 approved for the original project are still appropriate to reduce water consumption at the proposed project. No new or different mitigation would be required to reduce this impact.

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⁵ Based on water demand generation rates utilized in *Water Supply Assessment for the Proposed Beach and Edinger Specific Plan Project.*Prepared for City of Huntington Beach by PBS&J in August 2009. Assumes a water demand of 130 gallons per hotel room, 1.5 gallons per square foot for meeting space, and 1.5 gallons per square foot for fitness space.

3.15 PUBLIC SERVICES AND UTILITIES—GAS

Initial Environmental Setting (1998)

The Southern California Gas Company served the Waterfront Development Project site in 1998. Gas service was provided to the Hilton Waterfront Beach Resort from the gas main located south of the site, along Pacific Coast Highway. Gas service exists for the remaining portion of the Waterfront Development Project site, and had not changed significantly since SEIR 82-2.

Impacts of 1998 Project

The Southern California Gas Company was able to provide service to the project area without any significant impacts to its existing services or facilities. The reduced size of the project did somewhat reduce the amount of gas consumption in comparison to that anticipated from the originally approved project, and the impact remained less than significant.

Approved 1998 Mitigation Measures

- Mitigation Measure 52 Building construction shall comply with the Energy Conservation Standards set forth in Title 24 of the California Administrative Code.
- Mitigation Measure 53 The developer shall consult with the Southern California Gas Company during the design phase to ensure efficient development and installation of natural gas facilities. Methods of energy conservation techniques that shall be considered include:
 - Energy efficient concepts in building layout, design, and orientation, such as the use
 of solar water and space heating technologies.
 - Comprehensive planning for landscaping to complement new structures and parking lots, thereby minimizing heating and cooling energy use.
 - Walls, ceiling, floors, windows, and hot water lines should be insulated to prevent heat loss or gain per Title 24 regulations.

Current Environmental Setting

The Southern California Gas Company continues to serve the proposed project site, as in 1998. In addition, the Hyatt Regency Resort and the Waterfront Residential Development have been completed with no significant impacts to gas service.

Impacts of Current Project/Impacts Comparison

The Southern California Gas Company is still able to provide service to the proposed project area without any significant impacts to its existing services or facilities. Also, the reduced size of the project would reduce the amount of gas consumption in comparison to that anticipated from the 1998 project. As the proposed project is reduced from the maximum 300 hotel rooms under the approved Commercial Master Site Plan compared to the proposed 151 net hotel room addition, impacts to natural gas supplies would remain less

than significant. No significant new impact or significant increase in the severity of a previously analyzed impact would occur with respect to gas supplies.

Mitigation Analysis

The mitigation measures approved for the initially proposed project still apply and, when followed, would further reduce impact associated with the currently proposed project. These mitigation measures would ensure that the proposed project is built in a manner that would reduce energy consumption and therefore reduce consumption of natural gas at the proposed project site. No new or different mitigation would be required to reduce this impact.

3.16 PUBLIC SERVICES AND UTILITIES—ELECTRICITY

Initial Environmental Setting (1998)

In 1998, Southern California Edison provided electrical service to the project area through a 66-kilovolt (KV) electrical line that runs between Main Street and Lake Street, providing the entire downtown area with electric power. Power to the land uses on the project area is supplied by underground wiring from this line. Southern California Edison provided electric service to the Hilton Waterfront Beach Resort and the existing portion of Pacific View Boulevard, as well as the remaining portion of the project site.

Impacts of 1998 Project

The reduced magnitude of the 1988 project would have similarly reduced the electrical consumption in comparison to that anticipated from the originally approved project. Because the original demand fell within the electrical service's capabilities, and the facilities and services remained adequate in 1998, the reduced demand was also expected to be within available capacity. Southern California Edison indicated that electrical load requirements for the 1998 project could be met, provided that electrical demand does not exceed estimates and there were no unexpected outages to major sources of electrical supply.

Approved 1998 Mitigation Measures

No mitigation measures were required.

Current Environmental Setting

Southern California Edison continues to serve the proposed project site and the surrounding land uses, including the Hilton Waterfront Beach Resort, the Hyatt Regency Resort, and the Waterfront Residential Development.

Impacts of Current Project/Impacts Comparison

The reduced magnitude of the current project would reduce the electrical consumption in comparison to that anticipated from the 1998 project. Because the 1988 and 1998 demands fell within the electrical service's capabilities, and the facilities and services remain adequate, the reduced demands are also expected

to be within available capacity, and no significant impact is anticipated. No significant new impact or significant increase in the severity of a previously analyzed impact would occur with respect to electricity supplies.

Mitigation Analysis

No mitigation measures were required for the initial project assessed in SEIR 82-2. The proposed project would also result in a less-than-significant impact and would require no mitigation. No new or different mitigation would be required to reduce this impact.

3.17 PUBLIC SERVICES AND UTILITIES—SOLID WASTE

Initial Environmental Setting (1998)

In 1998, the City of Huntington Beach, including the project area, had the same solid waste disposal service as at the time of SEIR 82-2 approval. The solid waste transfer station had sustained the total number of tons per day it was allowed. However, the landfill that ultimately accepted the solid waste changed since 1998: the Coyote Canyon Landfill had reached capacity and closed, and the Bee Canyon Landfill received the area's solid waste. This change did not affect solid waste disposal capabilities.

Impacts of 1998 Project

The reduced magnitude of the 1998 project reduced the amount of solid waste, compared to 1988 the project, and the solid waste impact remained less than significant.

Approved 1998 Mitigation Measures

No mitigation measures were required for the 1988 or 1998 projects.

Current Environmental Setting

Solid waste collection service for the City of Huntington Beach is provided by Rainbow Disposal (Rainbow Disposal 2010). Collected solid waste is transported to a transfer station where the solid waste is sorted and processed through a Materials Recovery Facility where recyclable materials are removed. The remaining solid waste is transported to the Frank R. Bowerman Landfill located in the City of Irvine. The landfill has a remaining capacity in excess of 30 years based on present solid waste generation rates. Additionally, the proposed project would continue to implement various operational policies of the existing Hilton Waterfront Beach Resort intended to reduce the production of solid waste.

Impacts of Current Project/Impacts Comparison

No changes that would adversely affect solid waste disposal have occurred with respect to hauling or depositing. Further, the proposed project would generate less solid waste than that anticipated in 1998 as the project has been reduced from a 300-room luxury hotel to a 151 net new room hotel expansion.

Impacts would remain less than significant. No significant new impact or significant increase in the severity of a previously analyzed impact would occur with respect to solid waste disposal.

Mitigation Analysis

No mitigation measures were required for the 1988 or 1998 projects and the proposed project requires no mitigation. No new or different mitigation would be required to reduce this impact.

3.18 PUBLIC SERVICES AND UTILITIES— STORMWATER/WASTEWATER

Initial Environmental Setting (1998)

The City of Huntington Beach maintains the sewers and storm drains in the project area. Storm drains located in the project area consisted of a 30-inch reinforced concrete pipe (RCP) along Beach Boulevard, and a 54-inch, 48-inch, and proposed 36-inch RCP along the northern boundary of the project area. A reinforced concrete box was also located along Beach Boulevard. Within the project area, new storm drains were constructed along Pacific View Avenue to serve the Hilton Waterfront Beach Resort. In addition, wastewater service was also provided for the Hilton Waterfront Beach Resort. The stormwater/wastewater services for the remaining portion of the project site had not changed significantly since 1988.

The County of Orange Sanitation District operated separate sewer collection facilities in the project area. In 1998, they operated a 54-inch sewer main along Pacific Coast Highway. However, sewer service to the proposed development was initially to be provided by the City's system. After this initial tie-in to the City's system, a permanent connection to the County system would take place.

Impacts of 1998 Project

Because the 1998 project was reduced from the originally evaluated project, estimated amounts of sewage generated from the proposed project were determined based on generation ratios provided by the County Sanitation District. In summary, the estimated increases to suspended solids and biochemical oxygen demand, based on a worst-case scenario, fell well within the regional growth projections of the Sanitation District, and were considered less than significant. In addition, the stormwater system for the project has been designed to ensure that the peak flow rate into the City's stormwater system does not exceed the amount delivered in 1988 (or in 1998), without the proposed project. This would have been accomplished with flow restriction devices and temporary on-site retention of stormwater through localized ponding on selected private streets. In summary, no adverse impacts to the City's stormwater or wastewater systems were anticipated to occur as a result of the proposed project.

Approved 1998 Mitigation Measure

No mitigation measures were required.

Current Environmental Setting

As described under Section 3.2 (Biotic Resources—On-Site Wetlands), Section 3.3 (Biotic Resources—Adjacent Wetlands) and Section 3.9 (Public Health and Safety—Flood), with the completion of the Hyatt Regency Resort and the Waterfront Residential component of the Waterfront Development project, the required drainage system improvements have been in place and functioning since 2002. A new main sewer line was constructed in Pacific View Avenue and Beach Boulevard, connecting to the existing 54" OCSD sewer trunk on the south side of Pacific Coast Highway. This sewer line was originally sized to support the project as originally approved in 1988 that contained up to 1,600 hotel rooms and 875 residential units. The proposed project would also have to comply with all federal, state, and local laws, regulations, policies, and ordnances with regard to water quality standards or waste discharge requirements including the current NPDES and MS4 permits. Further, stormwater from the project site currently flows to the storm drain in Pacific View Avenue and into the wetlands east of Beach Boulevard. The preserved 3.4-acre treatment wetland habitat could act as additional natural filtration system for the Waterfront Development, if project stormwater is sent to this location, further reducing the impacts associated with storm water runoff. The rest of the Waterfront Development Project site is still served by the Orange County Sanitation District, with no impacts.

Impacts of Current Project/Impacts Comparison

Addendum #1 to SEIR 82-2 concluded that the 1998 project fell within the long-term growth projections of the City of Huntington Beach and the County Sanitation District; consequently, the reduced scale of the currently proposed project would also fall within the City and County's anticipated growth levels. The proposed project would tie into the existing sewer lines in Pacific View Avenue as described above. No additional sewer lines are needed to be constructed to support the project. The proposed project would generate approximately 28,240 gallons of wastewater per day. Wastewater from the proposed project would be delivered from the main sewer line in Pacific View Avenue and Beach Boulevard to the Orange County Sanitary District's ("OCSD") 54"trunk sewer line on the south side of Pacific Coast Highway. The wastewater generated from the proposed project would be treated by OCSD's treatment plant at Brookhurst Street and Pacific Coast Highway in Huntington Beach. This additional wastewater is a negligible portion of the remaining capacity of the OCSD's facilities. Additionally, OCSD is currently constructing additional equipment at that plant that would add an additional 60 million gallons per day (MGD) of secondary treatment capacity, that equipment is scheduled to come on line in 2012. Construction of new wastewater treatment facilities or expansion of existing facilities is not anticipated as a result of the proposed project. The proposed project would also have to comply with all federal, state, and local laws, regulations, policies, and ordnances with regard to wastewater treatment requirements. The reduction in size and scale of the proposed project would reduce the amount of wastewater discharged from that analyzed in Addendum #1 to SEIR 82-2, which was found to be less than significant.

Most urban stormwater discharges are diffuse sources and are regulated by the Stormwater National Pollutant Discharge Elimination System (NPDES) Permit. As such, the proposed project would be required to prepare a WQMP, in accordance with the NPDES Permit. In order to improve the quality of the

stormwater discharge from the project site, and in consultation with the City of Huntington Beach, the expansion project would divert the 85 percentile of the first flush storm water runoff from the proposed project site to the treatment wetlands west of Beach Boulevard (adjacent to The Waterfront residential project). Low flows from the proposed storm drain for the expansion project will be directed into the existing catch basin in Pacific View Avenue and into a proposed storm drain line that will discharge to the treatment wetlands. This redirection of low flows will be accomplished by installing a weir in the manhole located within the existing Pacific View Avenue storm drain line. This would serve to address both the Stormwater Quality Design Flow (SQDF) requirements and the City's existing concern regarding the lack of flows to the existing treatment wetland, west of Beach Boulevard. Per the approved WQMP (included as Appendix B), additional project features would include installation of a CDS (continuous deflective separator) unit, onsite trash screens and initial filtration and other operational BMP's. Higher storm flows from the site (and the surrounding area) will continue to discharge to the existing public storm drain in Pacific View Avenue and continue into the existing wetlands east of Beach Boulevard, maintaining the necessary flows for the health of this wetland facility. Design of the proposed project to allow for low water flows into the treatment wetlands to the west of Beach Boulevard, as well as implementation of operational BMPs identified in the project WQMP would ensure that impacts to water quality are reduced to a lessthan-significant level. Further, due to the existing and proposed impervious nature of the project site, impacts due to the quantity of water leaving the project site would be considered less than significant. Therefore, no significant new impact or significant increase in the severity of a previously analyzed impact would occur with respect to storm or wastewater.

Mitigation Analysis

No mitigation measures were required for the initial project assessed in SEIR 82-2. Per the design of the project-specific WQMP, the proposed project would not result in an increase in impacts due to a change in water quantity or water quality, and the proposed project would not require mitigation measures. No new or different mitigation would be required to reduce this impact.

3.19 PUBLIC SERVICES AND UTILITES—FIRE

Initial Environmental Setting (1998)

The City of Huntington Beach Fire Department provides fire protection service for the City, as well as the project area. Specifically, two fire stations serve the area: the Magnolia Fire Station and the Lake Street Fire Station, although the Lake Street Station is closer to the project site. The one-engine company Magnolia Fire Station is located on Magnolia and Hamilton. The Lake Street Fire Station is located on Lake Street and 5th Street, and contains one Engine Company, one Truck Company, and one paramedic unit. The Lake Street Company's average response time to the project area was, in 1998, five minutes. Consultation with the Department confirmed that construction of the Hilton Waterfront resulted in no significant impact to the Lake Street Station.

Impacts of 1998 Project

The Fire Department did not anticipate any problems serving the project area; however, the project would generate more emergency calls than were generated without the project. The Fire Department expected that the project would generate 0.7 calls per year per residential unit; there are no established rates for commercial uses. Nonetheless, the project would not create the need for additional staff or expansion of existing fire service facilities. It was further anticipated that the reduction of the 1998 project from the 1988 project would serve to lessen the impacts associated with fire service.

Approved 1998 Mitigation Measures

Mitigation Measure 54 The project developer shall work closely with the City of Huntington Beach Fire

Department to ensure that adequate fire safety precautions are implemented in the project.

All site plans, floor plans, and elevations for each phase are subject to the review of the

Fire Department.

Mitigation Measure 55 The project developer shall provide the full range of fire and life safety systems in all

buildings as recommended by the City of Huntington Beach Fire Department. This provision will aid in reducing the potential manpower required in a major emergency.

Current Environmental Setting

As in 1998, the City of Huntington Beach Fire Department provides fire protection service for the City, and the Magnolia Fire Station and the Lake Street Fire Station serve the project site. The 1998 Addendum #1 to SEIR 82-2 confirmed that construction and operation of the Hilton Waterfront Beach Resort has not resulted in a significant impact to the Lake Street Fire Station. Further, the City of Huntington Beach General Plan lists an emergency response time of less than 5 minutes 80 percent of the time. According to the 2009 Annual Response Statistics, the average response for all emergencies throughout the city was 4.8minutes.

Impacts of Current Project/Impacts Comparison

The reduction in size and guest-serving rooms would also serve to reduce the impacts related to fire protection for the project. Similar to the 1998 project, there would not be a need for additional staff or the expansion of the existing facilities. No significant impacts would occur, as with the 1998 project. No significant new impact or significant increase in the severity of a previously analyzed impact would occur with respect to fire protection.

Mitigation Analysis

The mitigation measures approved for the 1988 and 1998 project are still appropriate for the currently proposed project. No new or different mitigation would be required to reduce this impact.

3.20 PUBLIC SERVICES AND UTILITIES—POLICE

Initial Environmental Setting (1998)

In 1998, the Huntington Beach Police Department operated a single police facility located at Main Street and Yorktown Avenue. The authorized level of personnel is approximately 1.15 officers per 1,000 persons, 0.0075 officers per acre of parks, and one officer per 225,000 sf of office or commercial space. Consultation with the department indicated that construction of the Hilton Waterfront has not directly resulted in a substantial increase in service calls, nor has it necessitated additional personnel or equipment.

Impacts of 1998 Project

Based on the type of development proposed for the project area in 1988, it was estimated that 1.5 additional officers would be needed to serve the project site. With the additional need for officers, there were also associated costs for additional equipment; however, no adverse impacts were identified. The reduced magnitude of the 1998 project reduced the number of police personnel required in comparison to that anticipated from the originally approved project. Consultation with the City of Huntington Beach Police Department indicated that development of the 1998 project would not directly cause a significant increase in demand on police services or capacity. Consequently, no significant impacts were anticipated.

Approved 1998 Mitigation Measure

Mitigation Measure 56

The developer shall work closely with the police department to ensure that adequate security precautions are implemented in the project. The provision of adequate security precautions includes construction phases of the project. Such security could include construction fences and private security patrol. Police services to the development will be enhanced through the provision of adequate street lighting, clearly marked street names and building numbers and security hardware.

Current Environmental Setting

As with the 1998 project, the proposed project would be served by the City of Huntington Beach Police Department. The current authorized staffing level for the Police Department is at a ratio of 1.1 officers per 1,000 residents and is adequate to provide for the provision of police services and maintain adequate response times within the City (Huntington Beach 2009).

Impacts of Current Project/Impacts Comparison

The project site was approved in 1998 to contain up to 300 new hotel rooms while the proposed project would result in a net addition of only 151 new guestrooms, decreasing the potential impacts disclosed in SEIR 82-2 and Addendum #1. It anticipated that the reduction in size and guest-serving rooms under the currently proposed project would also serve to further reduce the impacts related to police service. Consultation with the City of Huntington Beach Police Department has indicated that development of the proposed project would not directly cause an increase in demand on police services or capacity, and that no

significant impacts would occur. No significant new impact or significant increase in the severity of a previously analyzed impact would occur with respect to police service.

Mitigation Analysis

The mitigation measures approved for the initially proposed project are still appropriate for the currently proposed project, and because the currently proposed project would not result in a significant impact, no new or different mitigation would be required to reduce this impact.

3.21 PUBLIC SERVICES AND UTILITIES—TELEPHONE

Initial Environmental Setting (1998)

Conditions in 1998 remained the same as in 1988, except additional service was provided to the Waterfront Hilton Beach Resort. The project area was within the service jurisdiction of General Telephone Company (GTE). Existing aerial and buried cable telephone lines service the Driftwood Mobile Home Park, and operate at an appropriate residential consumption level. In addition, a privately owned conduit located within the mobile home park served the Huntington Beach Inn. Relocation or maintenance of the system in place in 1998 would occur at the developer's expense. The developer must also share costs associated with installation of new facilities, under Standard Public Utilities Commission Rule 34.

Impacts of 1998 Project

GTE did not foresee any adverse impacts to the services they provide as a result of the proposed 1998 development.

Approved 1998 Mitigation Measures

No mitigation measures were required.

Current Environmental Setting

In 2002 the Waterfront Hilton Beach Resort and the Hyatt Regency Resort switched service providers to Telepacific (Padilla 2010). Completion of the Hyatt Regency Resort and the Waterfront Residential Development has not had any adverse impacts to telephone service.

Impacts of Current Project/Impacts Comparison

The currently proposed project would also require improvement and/or extension of existing Telepacific service facilities in the project area, which would occur at the Applicant's expense. As with the 1998 project, no adverse impacts are anticipated. No significant new impact or significant increase in the severity of a previously analyzed impact would occur with respect to telephone service.

Mitigation Analysis

No mitigation measures were required in SEIR 82-2, or Addendum #1 to SEIR 82-2, and impacts under the currently proposed project would remain less than significant. No new or different mitigation would be required to reduce this impact.

3.22 PUBLIC SERVICES AND UTILITIES—SCHOOLS

Initial Environmental Setting (1998)

The Huntington Beach Union High School District (HBUHSD) is responsible for educating the high school age students living in the project area, while the Huntington Beach City School District is responsible for K-8 students. In 1988, the HBUHSD school district was 101 students over projections for the 1987/88 school year. Because the school district could not accommodate all of the students in existing permanent facilities, either in 1988 or in many years prior, temporary (portable) classrooms have been used since the 1970's. The following schools and districts served the project area in 1998:

Huntington Beach City School District

- Kettler Elementary School (Grades K-5)
- Dwyer Middle School (Grades 6-8)

Huntington Beach Union High School District

■ Huntington Beach High School (Grades 9–12)

There have been no new facilities constructed since the approval of SEIR 82-2. However, all of the schools serving the project area continued to provide adequate capacity, either in temporary or permanent facilities.

Impacts of 1998 Project

The reduced residential density in the 1998 project resulted in a total number of residential units that is approximately the same as the number of mobile homes removed from the site (184). However, the number of school-age children would likely be greater at the new residential development than at the existing mobile home park. According to the Impact of Conversion Report (Impact of Conversion Report, RLM Properties, February 19, 1988), the average age of the mobile home residents was approximately 53 years. Depending on the price level and features of the new residential development, the number of school age children would likely be greater in the proposed residential area than in the mobile home park, though still lesser than the initially proposed residential area (due to the decreased density). However, the developer shall pay the required school impact fees, which would ensure that impacts to the school system remain less than significant.

Approved 1998 Mitigation Measures

No mitigation measures were required.

Current Environmental Setting

The Huntington Beach City School District and Huntington Beach Union High School District still serve the project site. Further, the Huntington Beach City School District is currently experiencing a decline in enrollment; therefore, as in 1998, adequate capacity exists within the schools listed above, which would still serve the project site (Huntington Beach, 2009).

Impacts of Current Project/Impacts Comparison

While the project as evaluated in 1998 did foresee an increase in school aged children, this increase was due to construction of the completed residential component and is not included as part of the proposed project. The proposed project would result in the expansion of the existing Hilton Waterfront Beach Resort by 151 net rooms. Although the proposed development could increase the number of jobs in the region that could attract families and therefore indirectly increase the number of school-aged children in the area, it is understood that the City of Huntington Beach has an available labor pool and that these jobs would likely be filled from within the existing community. As such, the project as currently proposed would not substantially contribute to the existing school aged population of the City. Additionally, to assist in providing facilities to serve students generated by new development, the governing board of any school district is authorized to levy a fee, charge, dedication, or other requirement against any construction within the boundaries of the district, for the purposes of funding the construction or reconstruction of school facilities. As such, the project Applicant would be required to pay required development impact fees. Impacts to schools would be less than significant. No significant new impact or significant increase in the severity of a previously analyzed impact would occur with respect to schools.

Mitigation Analysis

No mitigation measures were required in SEIR 82-2, or Addendum #1 to SEIR 82-2. Further, the currently proposed project would not result in a significant impact. No new or different mitigation would be required to reduce this impact.

3.23 PUBLIC SERVICES AND UTILITIES—RECREATION FACILITIES

Initial Environmental Setting (1998)

As with the 1988 project, the City of Huntington Beach Community Services Department continued in 1998 to manage and supervise the municipal beach parking lot and recreational beach facility located on the south side of Pacific Coast Highway. This was the only recreational facility in the vicinity of the project site. Subsequent to approval of SEIR 82-2, the Huntington Street entrance to the municipal beach parking lot and camping facility was redesigned to encourage effective ingress and egress.

Impacts of 1998 Project

The proposed 1998 development would not have resulted in the need to expand the existing beach facilities or provide additional recreational facilities, other than those proposed as part of the project in 1998. The initial plan contained two pedestrian overcrossings spanning Pacific Coast Highway, which would actually increase access to the beach. No significant impacts were anticipated to occur.

Approved 1998 Mitigation Measures

No mitigation measures were required.

Current Environmental Setting

Recreational facilities near the project site include those available in 1998, as well as the development of a pedestrian crossing in conjunction with the Hyatt Regency Resort.

Impacts of Current Project/Impacts Comparison

As with the 1998 project, the proposed project would increase visitor access to the recreational beach located just south of the proposed project across from Pacific Coast Highway. However, the proposed development would not result in the need to expand the existing beach facilities or provide additional recreational facilities, other than those proposed as part of the project. As with the 1998 project, no significant impacts would occur. No significant new impact or significant increase in the severity of a previously analyzed impact would occur with respect to recreation facilities.

Mitigation Analysis

No mitigation measures were required in SEIR 82-2 or Addendum #1 to SEIR 82-2. Further, the currently proposed project would not result in significant impacts. No new or different mitigation would be required to reduce this impact.

3.24 PUBLIC SERVICES AND UTILITIES—TRANSIT

Initial Environmental Setting (1998)

The project was still served in 1998 by OCTA. The Route 1 (PCH) transit line provides the following stops serving the project area: northbound and southbound at Pacific Coast Highway/Beach Boulevard, Pacific Coast Highway/Driftwood Mobilehome Park entrance, and Pacific Coast Highway/ Huntington Street. These are the same transit stops and routes identified in SEIR 82-2.

Impacts of 1998 Project

The proposed project required the installation of additional bus stops, pedestrian accessways, and other passenger amenities to serve the needs of the Community. Due to the reduced project size compared to the 1988 project, the amount of transit service (ridership) generated by the site was less than that assumed

under the original project. Nonetheless, a potentially significant impact was determined to occur if not mitigated.

Approved 1998 Mitigation Measure

Mitigation Measure 57

Site plans of the proposed project shall be forwarded to the OCTA, as they become available for each phase. The plans will be reviewed in terms of their conformance to the OCTA Design Guidelines for Bus Facilities.

Mitigation Measure 58

In order to ensure accessibility and available transit service for employees and patrons of this development, the following transit amenities shall be incorporated in the project as "Project Betterment's" and shall be the responsibility of the developer. These measures will also provide incentives for bus ridership and lessen impacts on air quality. Implementation of these measures shall be verified prior to the Certificate of Occupancy for each phase.

- The existing bus stops shall be preserved or upgraded, and bus turnouts provided, if determined by the City Traffic Engineer and OCTD to be necessary based on traffic volumes, speeds, and roadway cross sections.
- Paved, handicapped accessible passenger waiting areas, including a bus shelter, should be provided at each stop.
- If deemed necessary by the City Traffic Engineer and OCTD, the area adjacent to the turnouts should be able to accommodate a passenger waiting area complete with a bus shelter and bench.
- A paved, lighted, and handicapped accessible pedestrian accessway should be provided between each stop and the project buildings.

Current Environmental Setting

The project is still served by OCTA. The Route 1 (PCH) transit line provides the following stops serving the project area: northbound and southbound at Pacific Coast Highway/Warner Loop and Pacific Coast Highway/1st Street. The Route 29 transit line provides stops at Pacific Coast Highway/1st Street (OCTA, 2010). Although these are not all the same transit stops and routes identified in SEIR 82-2—Route 1 stops at Pacific Coast Highway/Beach Boulevard and Pacific Coast Highway/ Huntington Boulevard have been eliminated—the same number of stops serves the project area when nearby stops on Route 29 are considered. In any event, the required bus turnout lanes and related passenger amenities for The Waterfront Development Project were constructed in 2003 at Pacific Coast Highway for the northbound direction and at Beach Boulevard for the southbound direction pursuant to plans approved by the City of Huntington Beach Public Works Department and OCTA. Those approved plans and completed improvements constituted the total public transportation improvements for The Waterfront Development Project, and no further improvements at the proposed project site are required or anticipated.

Impacts of Current Project/Impacts Comparison

Due to the further reduced project size from 1998, the amount of transit service (ridership) generated by the project would be less than assumed under either SEIR 82-2 or Addendum #1. In any event, as

referenced above, the bus turnout lanes and related passenger amenities needed for The Waterfront Development Project have been previously constructed. No further public transit improvements are anticipated to be needed or provided with the proposed project.

Because the necessary public transportation improvements for The Waterfront Development Project have been previously completed, and further, reduced ridership can be expected to be generated by the proposed project than previously assumed under either SEIR 82-2 or Addendum #1; the proposed project would not result in new significant impacts or a substantial increase in the severity of previously identified significant impacts.

Mitigation Analysis

The bus facilities required to be installed as a result of Mitigation Measures 57 and 58 have been previously installed and no bus improvements are required or planned for the subject project site. Therefore, Mitigation Measures 57 and 58 are not applicable to the subject project. Consequently, no new or different mitigation would be required to substantially reduce the significant effects of the project.

3.25 PUBLIC SERVICES AND UTILITIES—OIL WELLS

Initial Environmental Setting (1998)

A record search for oil wells indicated that seven wells were located on the project site. It further indicated that the wells were abandoned between the years of 1925 and 1967. As of 1998, no changes had occurred in the site environment since approval of SEIR 82-2 that would affect the existing, though abandoned, oil wells. None of the seven wells located had been re-abandoned to meet current California Division of Oil and Gas (DOG) standards.

Impacts of 1998 Project

Seven on-site wells were required to be re-abandoned to meet current DOG requirements. The DOG requires that cement plugs be placed over the well stub when the well casing is cut and recovered. This procedure was not conducted when the wells were initially abandoned. Supplementary Notices to Re-abandon the wells have been prepared, but were not submitted to the DOG. The total cost for re-abandoning the wells was estimated to be \$125,375. If not mitigated, this impact was considered potentially significant.

Approved 1998 Mitigation Measure

Mitigation Measure 59 The project proponent will comply with current DOG standards and requirements for the reabandonment of the seven on-site wells.

Mitigation Measure 60 If any abandoned or unrecorded wells are uncovered or damaged during excavation or grading, remedial cementing operation may be required. If such damage occurs, the DOG's district office shall be consulted.

Mitigation Measure 61

Efforts shall be made to avoid building over any abandoned well. If construction over an abandoned well is unavoidable, a DOG approved gas venting system shall be placed over the well. The site plan and/or venting system shall be removed by the City's Fire Department.

Current Environmental Setting

The seven oil wells that were abandoned between the years of 1925 and 1967 were located on the Waterfront Development Project site; however, none of these wells are located on the currently proposed project site. Further, all wells on the Waterfront site have been re-abandoned to current City or California Department of Conservation, Division of Oil and Gas Standards.

Impacts of Current Project/Impacts Comparison

Because no wells are located on the current project site, no impacts related to oil wells would occur.

Mitigation Analysis

The mitigation measures approved for the 1998 project have been implemented and have adequately mitigated all of the identified oil well impacts. Therefore, Mitigation Measure 59 is not applicable to the proposed project while Mitigation Measures 60 and 61 remain applicable only in the event that unknown wells are discovered during the construction of the proposed project. Further, the proposed project site contains no wells. Consequently, no impact would occur, and no new or different mitigation measures would be required.

3.26 PUBLIC SERVICES AND UTILITIES—OIL PRODUCT PIPELINES

Initial Environmental Setting (1998)

In 1988, Chevron had ownership of a pipeline facility in the proximity of the Waterfront Development Project site. Ownership of the oil pipeline located on site had been transferred to the Golden West Refinery by 1998. The pipeline remained on site, in the same location as at the time of SEIR 82-2 approval. However, Golden West Refinery was in the process of dismantling its storage tanks and had informed the City of its intent to abandon its offshore oil loading pipelines and storage facilities in the City. In such case, the pipeline on the Waterfront site would cease operation and be removed in its entirety. However, a separate company had expressed interest in attempting to reconstruct and reactivate the tanks and pipeline. If the company obtained the necessary regulatory approvals to do so, the pipeline lease agreement on the Waterfront site requires the operator to relocate the pipeline off of the project site.

Impacts of 1998 Project

The potential environmental impact associated with the on-site pipeline was anticipated to be eliminated as a result of Golden West Refinery's abandonment of its offshore pipelines and onshore storage facilities. This is

an environmentally superior option to the relocation and continued operation of the pipe (as assessed in SEIR 82-2); and no impacts were determined. If another company reactivates the pipeline, the impact would have been the same as originally assessed in SEIR 82-2.

Approved 1998 Mitigation Measure

Mitigation Measure 62

If after consulting with the owner of the underground gas/oil pipeline located on site, it has been determined that a conflict exists between the project and the underground pipeline facility, the subject pipeline (Exhibit E, Addendum to Final SEIR 82-2) shall be relocated under the Pacific Coast Highway/Beach Boulevard right-of-way area, or under the public parking lot area along the west side of Beach Boulevard, or under open space in front of the proposed Waterfront project, whichever is most feasible.

Current Environmental Setting

The on-site oil pipeline, which in 1998 was owned by the Golden West Refinery, was acquired by Cenco Refining Company, but was abandoned in 1999.

Impacts of Current Project/Impacts Comparison

The potential environmental impact associated with the on-site pipeline was eliminated as a result of Cenco's abandonment of its offshore pipelines and onshore storage facilities in 1999. No impacts would occur under the currently proposed project.

Mitigation Analysis

Mitigation Measure 62 is no longer applicable because another company cannot reactivate an abandoned pipeline. Further, no impact would occur under the currently proposed project, and no new or different mitigation would be required.

3.27 FISCAL IMPACT

Initial Environmental Setting (1998)

In the 1988 SEIR 82-2, the purpose of the fiscal impact was to ascertain whether there would be potential effects on the environment, or on the health, safety, and welfare of the community as a result of potentially negative fiscal impacts. Although not required by CEQA, the fiscal analysis is provided to identify the project's effect on City services and revenues. The City of Huntington Beach provides general city services, including police and fire protection, recreation, planning and development services, financial services, and public works. The resources could be negatively affected if revenue resources are depleted by the provision of services to a new development project. The setting for fiscal impact in 1998 was identical to that in 1988.

Impacts of 1998 Project

The 1998 project was anticipated to yield the City approximately \$138,821,000 in net revenues over a 25-year period. Fees accruing to other jurisdictions (from impact fees or fair share participation in fee programs) were anticipated to be \$5,801,000. There was no expected fiscal impact from this project that would cause a depletion of City revenues, which, in turn, would cause an adverse effect on the environment or the health, safety, or welfare of the community.

Approved Mitigation Measure

No mitigation measures were required.

Current 1998 Environmental Setting

The City of Huntington Beach continues to provide general city services, including police and fire protection, recreation, planning and development services, financial services, and public works.

Impacts of Current Project/Impacts Comparison

The Redevelopment Agency would undertake a revised fiscal analysis, if necessary. This analysis is not required under CEQA, and no adverse effects in the environment or the health, safety, or welfare of the Community are anticipated. No significant new impact or significant increase in the severity of a previously analyzed impact would occur with respect to fiscal impacts.

Mitigation Analysis

No mitigation measures were required in SEIR 82-2 or in Addendum #1 to SEIR 82-2. As with the 1988 and 1998 projects, no significant impact would occur under the proposed project. No new or different mitigation would be required to reduce this impact.

3.28 SOCIOECONOMIC IMPACTS

Initial Environmental Setting (1998)

In 1982, the City of Huntington Beach adopted a mobile home park conversion ordinance to establish a means for providing a reasonable and proper transition from the present mobile home park to the uses permitted in the underlying zoning district. The majority of the mobile home park residents was two-person households with individuals above 50 years of age and characterized as having low to moderate incomes. Most of the residents permanently reside on site, and have lived in the park 5 years or more. By 1998, the number of mobile homes located within the project area had decreased by approximately 50 percent since certification of SEIR 82-2. The construction of Pacific View Avenue and the Hilton Waterfront Beach Hotel required the removal of 28 mobile homes. In addition, approximately 102 mobile homes had been purchased and/or relocated by the Redevelopment Agency, pursuant to the MARA; therefore, there were 109 mobiles homes existing on site in 1998.

Impacts of 1998 Project

As a result of the proposed development, residents of the Driftwood Mobile Home Park were required to relocate or be compensated for displacement. Many of these residents were characterized as having special needs (low income, older age) and would have been directly affected by the conversion of the mobile home park. The City's Housing Element emphasized programs to assist these special needs groups. In 1998, it was anticipated that the remaining parties would enter into an amended MARA, taking into account circumstances as they existed in 1998. However, should this not occur, the existing 1988 MARA would still apply. No significant impacts were anticipated.

Approved 1998 Mitigation Measure

Mitigation Measure 63 A minimum of six months prior to the date that a specific phase of the park will be closed,

all affected tenants will receive a written notice advising them of the definite date of closure. If relocation assistance per the approved Relocation Assistance Plan has not been previously arranged with affected tenants, the program will be put into effect during this

six-month period.

Mitigation Measure 64 Consistent with program 8.5.2.5 of the City's Housing Element of the General Plan, the

Applicant and/or City staff shall meet with the mobile home park tenants and coach

owners to explain conversion process and relocation assistance.

Mitigation Measure 65 Consistent with program 8.5.2.6 of the Housing Element, the City or Redevelopment

Agency shall assist in relocation of persons affected by this redevelopment project.

Mitigation Measure 66 The developer shall comply with all aspects of Article 927 of the Municipal Code,

including an approved Relocation Assistance Plan that shall include a Mobilehome Acquisition and Relocation Benefits Agreement executed by the Redevelopment Agency, RLM Properties, LTD., and the Driftwood Beach Club Mobile Homeowners Association, Inc.—the Mobile Home Overlay Zone, an ordinance enacted to require rezoning on change of use of mobile home park to comply with certain requirements/standards prior to

initiating such a change in use (refer to Appendix for provisions of Article 927).

Mitigation Measure 67 Prior to closing any portion of the mobile home park, the developer shall provide a

relocation coordinator who will provide general relocation assistance to all tenants with special emphasis on assisting special needs groups identified in the SEIR. Availability of such a relocation assistance plan shall be to the approval of the City Council, and shall be incorporated into the Relocation Assistance Program required to Article 927 of the

Municipal Code.

Mitigation Measure 68 Per the provisions in the stipulated Relocation Assistance Plan, the developer shall pay the

cost of relocating a mobile home coach, when the age and condition of the coach allows

feasible relocation.

Current Environmental Setting

When the 1998 project was evaluated, the Driftwood Mobile Home Park, with 102 mobile homes, occupied that portion of the Waterfront Development Project that is now occupied by the Hyatt Regency Resort and the Waterfront Residential Development. As previously stated, the proposed project site was occupied by the closed hotel and restaurant (the Huntington Beach Inn), and was designated as the third hotel portion in 1998. No residences remain on the project site.

Impacts of Current Project/Impacts Comparison

As stated above, the Driftwood Mobile Home Park has been closed, and the 102 mobile homes that were on site in 1998 are no longer in existence. The socioeconomic impacts discussed in Addendum #1 to SEIR 82-2 related solely to the closure of the Driftwood Mobile Home Park, which has already occurred. No significant new impact or significant increase in the severity of a previously analyzed impact would occur.

Mitigation Analysis

As previously stated, since 1998, the mobile home buyout has occurred and all on-site coaches have been removed. Closure of the mobile home has eliminated any impacts associated with dividing a community. Therefore, the mitigation measures are no longer applicable and there are no impacts.

3.29 GREENHOUSE GAS EMISSIONS

The issue of project-generated greenhouse gas (GHG) emissions is a reflection of the larger concern of global climate change. While GHG emissions can be evaluated on a project level, overall, the issue reflects a more regional or global concern. CEQA requires all projects to discuss a project's GHG contributions. The information provided in this section is based on recently established California goals for reducing GHG emissions, as well as a project-specific emissions inventory developed for the proposed project. Determining how a proposed project might contribute to climate change, and what the overall effect of an individual project would be based on that contribution, is still undergoing debate at this time.

Previous (1998) Environmental Analysis

At the time that the 1998 Addendum #1 was prepared, the evaluation of GHG emissions was not required as part of CEQA, and was therefore not conducted as part of Addendum #1. However, since the issuance of the previous EIR, the State of California, through Assembly Bill (AB) 32 and Executive Order S-3-05, has set statewide targets for the reduction of greenhouse gas emissions, and as of December 31, 2009, the California Natural Resources Agency has adopted revisions to the CEQA Guidelines that require the evaluation of greenhouse gas emissions. More specifically, the recent revisions require future projects subject to CEQA to address "the mitigation of greenhouse gas emissions and the effects of greenhouse gas emissions, including, but not limited to, effects associated with transportation or energy sources." (Refer to PRC § 21083.05.)

Environmental Setting

Global climate change refers to changes in the normal⁶ weather of the earth measured by alterations in wind patterns, storms, precipitation, and temperature relative to historical averages. Such changes vary considerably by geographic location. Over time, the earth's climate has undergone periodic ice ages and warming periods, as observed in fossil isotopes, ice core samples, and through other measurement techniques. Recent climate change studies use the historical record to predict future climate variations and the level of fluctuation that might be considered statistically normal given historical trends. Temperature records from the Industrial Age (ranging from the late eighteenth century to the present) deviate from normal predictions in both rate and magnitude. Most modern climatologists predict an unprecedented warming period during the next century and beyond, a trend that is increasingly attributed to humangenerated greenhouse gas emissions resulting from the industrial processes, transportation, solid waste generation, and land use patterns of the twentieth and twenty-first centuries. According to the United Nations Intergovernmental Panel on Climate Change (IPCC), greenhouse gas emissions associated with human activities have grown since pre-industrial times, increasing by 70 percent between 1970 and 2004 (IPCC, 2007). Increased greenhouse gas emissions are largely the result of increasing fuel consumption, particularly the burning of fossil fuels.

The IPCC modeled several possible emissions trajectories to determine what level of reductions would be needed worldwide to stabilize global temperatures and minimize climate change impacts. Regardless of the analytic method used, global average temperature and sea level were predicted to rise under all scenarios (IPCC, 2007). In other words, there is evidence that emissions reductions can minimize climate change effects but cannot reverse them entirely. Emissions reductions can reduce the severity of impacts, resulting in lesser environmental impacts. For example, the IPCC predicted that the range of global mean temperature change from year 1990 to 2100, given different emissions reductions scenarios, could range from 1.1°C to 6.4°C.

The greenhouse gas emissions from any individual project, even a very large development project, would not individually generate sufficient greenhouse gas emissions to measurably influence global climate change (AEP, 2007). However, the greenhouse gas emissions from any individual project, contribute to cumulative emissions. Climate change is an irreversible, significant cumulative effect on a global scale. Consideration of a project's impact to climate change, therefore, is essentially an analysis of a project's contribution to a cumulatively significant global impact through its emission of greenhouse gases. As the level of greenhouse gas emissions is related to other air quality emissions, the evaluation of GHG emissions from a regulatory standpoint has been placed under the purview of the SCAQMD and CARB, with respect to the proposed project.

Impacts of Current Project/Impacts Comparison

This analysis is based on the methodologies recommended by the California Air Pollution Control Officers Association [CAPCOA] (January 2008) CEQA and Climate Change white paper. CAPCOA conducted an

^{6 &}quot;Normal" weather patterns include statistically normal variations within a specified range.

analysis of various approaches and significance thresholds, ranging from a zero threshold (all projects are cumulatively considerable) to a high of 40,000-50,000 metric tons of carbon dioxide equivalent (CO2e) per year. For example, assuming a zero threshold and the AB 32 2020 targets, this approach would require all discretionary projects to achieve a 33 percent reduction from projected "business-as-usual" emissions to be considered less than significant. A zero threshold approach could be considered based on the concept that climate change is a global phenomenon in that all GHG emissions generated throughout the earth contribute to it, and not controlling small source emissions would potentially neglect a major portion of the GHG inventory. Another method based on a market capture approach that requires mitigation for greater than 90 percent of likely future discretionary development would use a quantitative threshold of greater than 900 metric tons CO2e/year for most projects, which would generally correspond to office projects of approximately 35,000 sf, retail projects of approximately 11,000 sf, or supermarket space of approximately 6,300 sf. Another potential threshold of 10,000 metric tons was considered by the Market Advisory Committee for inclusion in a GHG Cap and Trade System in California. A 10,000 metric ton significance threshold would correspond to the GHG emissions of approximately 550 residential units, 400,000 sf of office space, 120,000 sf of retail, and 70,000 sf of supermarket space (CAPCOA 2008). This threshold would capture roughly half of new residential or commercial development. The basic concepts for the various approaches suggested by CAPCOA are used herein to determine whether or not the project's GHG emissions are "cumulatively considerable."

Calculations of carbon dioxide, methane, and nitrous oxide are provided for full disclosure of the magnitude of potential project effects. The analysis focuses on carbon dioxide (CO_2) , nitrous oxide (N_2O) , and methane (CH_4) as these are those GHG emissions that the project would emit in the largest quantities, as compared to other GHGs (such as chlorofluorocarbons [CFCs]). Calculations were based on the methodologies discussed in the CAPCOA white paper (January 2008) and included the use of the California Climate Action Registry General Reporting Protocol (January 2009).

Projected GHG Emissions

Indirect Emissions. Operational emissions of CO_2 , nitrous oxide (N_2O) and methane (CH_4) were quantified using the California Climate Action Registry General Reporting Protocol (January 2009) indirect emissions factors for electricity and natural gas use (refer to Appendix E for calculations). The calculations and emission factors contained in the General Reporting Protocol were selected based on technical advice provided to the Registry by the California Energy Commission. This methodology is considered reasonable and reliable for use, as it has been subjected to peer review by numerous public and private stakeholders, and in particular by the California Energy Commission, and is recommended by CAPCOA.

Based on this methodology, operation of the Proposed Project would be expected to generate 773 metric tons of CO₂e beyond existing conditions (i.e., that which was analyzed in SEIR 82-2, Addendum #1 and Addendum #2).⁷

⁷ Assumes average hotel room dimensions would be 15 feet by 30 feet.

Direct Emissions from Mobile Combustion. Emissions of CO_2 from transportation sources were quantified using the California Air Resource Board's URBEMIS 2007 (version 9.2.4) computer model. Nitrous oxide (N_2O) and methane (CH_4) emissions were quantified, using the California Climate Action Registry General Reporting Protocol (January 2009) direct emissions factors for mobile combustion (refer to Appendix E for calculations). Total daily mileage was calculated in URBEMIS 2007 and extrapolated to derive total annual mileage. Emission rates were based on the vehicle mix output, generated by URBEMIS, and the emission factors found in the California Climate Action Registry General Reporting Protocol. Based on this methodology, the Proposed Project would generate approximately 1,865 metric tons of CO_2e per year.

It should be noted that one of the limitations to a quantitative analysis is that emission models, such as URBEMIS, evaluate aggregate emissions and do not demonstrate, with respect to a global impact, what proportion of these emissions are "new" emissions, specifically attributable to the project in question. For most projects, the main contribution of GHG emissions is from motor vehicles and the total vehicle miles traveled (VMT), but the quantity of these emissions appropriately characterized as "new" is uncertain. Traffic associated with a project may be relocated trips from other locales, and consequently, may result in either higher or lower net VMT. In this instance, some of the Proposed Project-related GHG emissions associated with traffic and energy demand would be truly "new" emissions; but, it is also likely that some of the emissions represent diversion of emissions from other locations. Thus, although GHG emissions are associated with the project, it is not possible to discern how much diversion is occurring or what fraction of those emissions represents global increases. In the absence of information regarding the different types of trips, the VMT generated by URBEMIS is used as a conservative estimate.

GHG Cumulative Significance

As discussed above under Methodology, CAPCOA provided several approaches to consider potential cumulative significance of projects with respect to GHGs (CAPCOA, 2008). Table 3-2 (CAPCOA Suggested Thresholds for Greenhouse Gases) shows CAPCOA's suggested thresholds for GHG emissions. A zero threshold approach can be considered based on the concept that climate change is a global phenomenon in that all GHG emissions generated throughout the earth contribute to it, and not controlling small source emissions would potentially neglect a major portion of the GHG inventory. However, the California Environmental Quality Act (CEQA) Guidelines also recognize that there may be a point where a project's contribution, although above zero, would not be a considerable contribution to the cumulative impact. Therefore, a threshold of greater than zero is considered more appropriate for the analysis of GHG emissions under CEQA. In addition, CAPCOA suggests certain qualitative or size-based thresholds that can be applied to developments when assessing their significance, however because the Proposed Project involves improvements/expansion of an existing development, use of these qualitative thresholds is not considered appropriate for the Proposed Project.

Type of Threshold	Threshold
Quantitative (900 tons)	~ 900 tons CO₂e/year
Quantitative CARB Reporting Threshold/Cap and Trade	Report: 25,000 tons CO ₂ e./year
	Cap and Trade: 10,000 tons CO ₂ e/year
Quantitative Regulative Inventory Capture	~40,000–50,000 tons CO ₂ e/year

Based on the CAPCOA suggested thresholds in Table 3-2, the Proposed Project's contribution of approximately 2,638 metric tons (direct and indirect) of CO₂e/year would exceed the 900-ton Quantitative Threshold, but not the other quantitative thresholds. It should also be noted that the proposed project is infill development, an intensification and reuse of already developed land as opposed to low-density development on undeveloped land.

CAPCOA's suggested quantitative thresholds are generally more applicable to development on greenfield sites, where there would be a substantial increase in VMT and associated GHG emissions than to expansion of an on-site use. For this reason, the most conservative (i.e., lowest) thresholds, suggested by CAPCOA, are not considered appropriate for this project, given that the City of Huntington Beach is highly urbanized and built out. Consequently, this analysis uses a dual threshold methodology that considers the 10,000 tons CDE/year threshold (the second lowest non-zero threshold) as a quantitative benchmark for significance and qualitative consideration of the California Environmental Protection Agency's (CalEPA) GHG emissions reduction strategies that were prepared by CalEPA's Climate Action Team (CAT) established by Executive Order S-3-05. The CAT strategies are recommended to reduce GHG emissions at a statewide level to meet the goals of the Executive Order S-3-05 (http://www.climatechange.ca.gov). A project's contribution to cumulative impacts to global climate change is considered cumulatively considerable, if the project would generate 10,000 tons CO₂e/year. For projects that would generate fewer than 10,000 tons CO₂e/year, the impact would be considered cumulatively considerable, if the project would be inconsistent with one or more of the CAT's GHG reduction strategies.

As indicated above, CO₂e emissions, associated with the proposed project, would be less than 10,000 tons/year. Therefore, the project's impact would be cumulatively considerable, if the project were inconsistent with CAT strategies. Several of these actions are already required by California regulations. Table 3-3 (Project Consistency with CAT Report Greenhouse Gas Emission Reduction Strategies) illustrates that the proposed project would be consistent with the GHG reduction strategies set forth by the CAT Report. Therefore, the project's contribution to cumulative GHG emissions and climate change would not be cumulatively considerable. Impacts would not be considered significant.

Strotegy	Reduction Strategies Project Consistency	
California Air Resources Board		
Vehicle Climate Change Standards AB 1493 (Pavley) required the state to develop and adopt regulations that achieve the maximum feasible and cost-effective reduction of climate change emissions emitted by passenger vehicles and light duty trucks. Regulations were adopted by the ARB in September 2004.	Consistent. These are CARB enforced standards and vehicles that access the proposed project are required to comply with the standards. While the proposed project would not be required to implement any measures with respect to the CAT standards listed, it would involve in-fill development, which would potentially serve to reduce vehicle miles traveled and thereby reduce climate change emissions, similar to the objective of the strategies described herein.	
Diesel Anti-Idling In July 2004, the CARB adopted a measure to limit diesel-fueled commercial motor vehicle idling.	Consistent. Current state law restricts diesel truck idling to five minutes or less. Any trucks attributed to the proposed project would be subject to this statewide law.	
 Hydrofluorocarbon Reduction Ban retail sale of HFC in small cans Require that only low-GWP refrigerants be used in new vehicular systems Adopt specifications for new commercial refrigeration Add refrigerant leak-tightness to the pass criteria for vehicular inspection and maintenance programs Enforce federal ban on releasing HFCs 	Consistent. This strategy applies to consumer products. All applicable products would comply with the regulations that are in effect at the time of manufacture.	
Alternative Fuels—Biodiesel Blends CARB would develop regulations to require the use of I to 4 percent biodiesel displacement of California diesel fuel.	Consistent. CARB is in the process of developing regulations which would increase the use of biodiesel for transportation uses. Currently, it is unknown when such regulations would be implemented; however, it is expected that upon implementation of such a regulation that would require biodiesel blends, the diesel fuel used by vehicles that travel to and from the project site would be correspondingly displaced by biodiesel.	
Alternative Fuels-Ethanol Increased use of E-85 fuel.	Consistent. As data becomes available on the impacts of fuel specifications on the current and future vehicle fleets CARB will review and update motor vehicle fue specifications as appropriate. In reviewing the specifications CARB will consider the emissions performance, fuel supply consequences, potential greenhouse gas reduction benefits and cost issues surrounding E-85, for gasoline by January 31 2007, and for diesel by December 31, 2008. Visitors to the project site could purchase flex-fuel vehicles and utilize this fuel, once it is commercially available in the region and local vicinity.	
Heavy-Duty Vehicle Emission Reduction Measures Increased efficiency in the design of heavy-duty vehicles and an education program for the heavy-duty vehicle sector.	Consistent. The heavy-duty vehicles that travel to and from the project site on public roadways would be subject to all applicable CARB efficiency standards that are in effect at the time of vehicle manufacture.	

Table 3-3 Project Consistency with CAT Report Greenhouse Gas Emission Reduction Strategies

Strategy

Project Consistency

Achieving 50% Statewide Recycling Goal

Achieving the State's 50% waste reduction mandate as established by the Integrated Waste Management Act of 1989, (AB 939, Sher, Chapter 1095, Statutes of 1989), will reduce climate change emissions, associated with energy intensive material extraction and production, as well as methane emission from landfills. A diversion rate of 48% has been achieved on a statewide basis. Therefore, a 2% additional reduction is needed.

Consistent. The City has completed a comprehensive waste reduction and recycling plan in compliance with State Law AB 939, which requires every city in California to reduce the waste it sends to landfills by 50% by the year 2000. As of 2000, the City was recycling 67% of its solid waste, thereby complying with the standards established by AB 939. Currently, the City requires that 71% of all solid waste, including construction/demolition waste, be diverted from landfills, which is higher than the State mandate of 50%.

Zero Waste-High Recycling

Efforts to exceed the 50% goal would allow for additional reductions in climate change emissions

Consistent. As discussed above, as of 2000 the City was recycling 67% of its solid waste, thereby exceeding the State's 50% goal. Currently, the City is achieving a 71% diversion of all solid waste, including construction/demolition waste, from landfills, which is higher than the State mandate of 50%.

DEPARTMENT OF FORESTRY

Urban Forestry

A new statewide goal of planting 5 million trees in urban areas by 2020 would be achieved through the expansion of local urban forestry programs.

Consistent. The project would comply with City General Plan Policy UD 1.3.1, which includes specific direction regarding landscaping for new development. Further, the project involves improvements to the existing Hilton Hotel site, which already includes landscaping in accordance with City direction.

DEPARTMENT OF WATER RESOURCES

Water Use Efficiency

Approximately 19 percent of all electricity, 30 percent of all natural gas, and 88 million gallons of diesel are used to convey, treat, distribute and use water and wastewater. Increasing the efficiency of water transport and reducing water use would reduce greenhouse gas emissions.

Consistent. Title 14.52 of the City's Municipal Code includes stringent landscape water conservation requirements that address both the allowable plant water needs as well as the efficiency of the irrigation system. In addition, the City's municipal code identifies water conservation requirements such as watering hours, irrigation overspray and runoff, and cleaning requirements. The proposed project would be required to adhere to these existing regulations, which reduce water use.

ENERGY COMMISSION (CEC)

Building Energy Efficiency Standards in Place and in Progress

Public Resources Code 25402 authorizes the CEC to adopt and periodically update its building energy efficiency standards (that apply to newly constructed buildings and additions to and alterations to existing buildings).

Consistent. The City of Huntington Beach requires all new construction to meet current California Code of Regulations Title 24 energy efficiency standards. The proposed project would comply with these requirements, which among other purposes, are intended to conserve nonrenewable energy and support the use of renewable energy.

Table 3-3 Project Consistency with CAT Report Greenhouse Gas Emission Reduction Strategies	
Strategy	Project Consistency
Appliance Energy Efficiency Standards in Place and in Progress Public Resources Code 25402 authorizes the Energy Commission to adopt and periodically update its appliance energy efficiency standards (that apply to devices and equipment using energy that are sold or offered for sale in California).	Consistent. As noted above, the City of Huntington Beach requires all new construction to meet current California Code of Regulations Title 24 energy efficiency standards. No update has been scheduled at this time.
BUSINESS, TRANSF	PORTATION, AND HOUSING
Measures to Improve Transportation Energy Efficiency Builds on current efforts to provide a framework for expanded and new initiatives including incentives, tools, and information that advance cleaner transportation and reduce climate change emissions.	Consistent. The project would provide additional hotel facilities adjacent to the existing local destinations, which would further centralize the City's hotel uses and reduce the level vehicle trips that could occur if a hotel were built in a less-traveled area of the City.
Smart Land Use and Intelligent Transportation Systems (ITS) Smart land use strategies encourage jobs/housing proximity, promote transit-oriented development, and encourage high-density residential/commercial development along transit corridors. ITS is the application of advanced technology systems and management strategies to improve operational efficiency of transportation systems and movement of people, goods and services.	Consistent. The proposed project involves the expansion of an existing use and would not introduce a new, potentially incompatible use into a new area. Further, the project site would be located on an in-fill site in close proximity to mass-transit opportunities, as well as regional recreation and tourist destinations.

SOURCE: PBS&J 2010

It should be noted that many of the emissions reduction strategies in this table relate to technologies that are evolving and will evolve, or become available. Some of these measures also relate to emissions reduction strategies that must be implemented on an area-wide or regional basis. Thus, several of these measures will be implemented over time as implementation becomes practicable, and the wording of these additional measures reflects that condition.

Mitigation Analysis

As noted above, GHG emissions were not previously analyzed as part of the SEIR 82-2, Addendum #1, and Addendum #2. However, consistency with accepted CAT GHG emission reduction strategies would insure that impacts associated with the proposed expansion of the hotel would not be cumulatively considerable and not significant. No mitigation is required.

3.30 CONCLUSIONS

As described above, according to Section 15164 of the CEQA Guidelines, if a project does not fulfill any of the criteria enumerated in Section 15162(a)(1)—(3) of the CEQA Guidelines, then an Addendum, rather than a subsequent or supplemental EIR, is the appropriate document to achieve environmental clearance. The determination that none of the criteria outlined in CEQA Guideline Section 15162(a)(1)—(3) are fulfilled must be supported by substantial evidence provided in the administrative record.

As stated in CEQA Guidelines Section 15162:

- (a) When an EIR has been certified ... no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:
 - (1) Substantial changes are proposed in the project which will require major revisions of the previous EIR ... due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
 - (2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR ... due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
 - (3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete ... shows any of the following:
 - (A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
 - (B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - (C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
 - (D)Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

Subsection (a)(1) does not apply to the proposed changes to the hotel portion of the Waterfront Project because the revisions amount to a reduction in the project's scale and a commensurate reduction in overall environmental impacts from those initially anticipated and disclosed in SEIR 82-2 and Addendum #1 to SEIR 82-2. No new significant environmental effects or a substantial increase in the severity of previously identified significant effects would occur as a result of construction of the proposed project, which includes a reduced number of hotel rooms and associated conference and commercial uses.

Subsection (a)(2) does not apply because there are no substantial changes to existing environmental conditions such that new and significant environmental impacts or a substantial increase in the severity of the environmental impacts would occur. Sections 3-1 to 3-28 provided, within each environmental issue area, comparisons of the environmental conditions that existed in 1998 (when Addendum #1 to SEIR 82-2 was prepared) and those that currently exist. In summary, each analysis concluded that there are no substantial changes in existing conditions that would result in new significant environmental effects or a substantial increase in the severity of significant effects. Although the site is currently subject to construction activities (as described in Section 2.2 of this document), which provides a different condition than in 1998, these are not considered substantial and would not result in new significant environmental effects or a substantial increase in the severity of significant effects. Furthermore, construction-related effects were fully analyzed and disclosed in SEIR 82-2 and Addendum #1 to SEIR 82-2.

In addition, the intensity of planned land uses in the downtown area has been substantially reduced as a result of a comprehensive update to the City's General Plan in 1996. Accordingly, the potential for substantial cumulative impacts resulting from the combination of the proposed project with other development in the surrounding community has also been significantly decreased. In summary, the environmental circumstances under which the project is undertaken are substantially similar to, or in some cases are improved over, the conditions in 1998.

Lastly, Subsection (a)(3) does not apply because the environmental analysis did not identify any significant environmental effects that were not previously disclosed in SEIR 82-2, nor did this analysis find that any significant environmental effects previously examined in SEIR 82-2 would be substantially more severe: and, in fact, all effects were determined to be less severe as a result of the reduced scope of development. Further, this analysis did not reveal that there are any new mitigation measures that would substantially reduce one or more significant effects. For some issue areas, such as Greenhouse Gas Emissions, new regulatory requirements have been adopted since the time of SEIR 82-2 certification. Where appropriate, these new regulations have been addressed in this Addendum and no new or additional impacts have been identified. However, there is no new information regarding the previously approved project, community issues, or environmental issues that could have been known previously.

Although significant and unavoidable impacts would occur with respect to geological risks, aesthetics, and regional air quality, they would be reduced under the proposed project when compared to either the 1988 or the 1998 projects. These impacts were disclosed in the Statement of Overriding Considerations adopted concurrently with the certification of SEIR 82-2. This statement remains applicable to the proposed project and is hereby incorporated by reference.

Because none of the conditions enumerated in Section 15162(a)(1)—(3) of the CEQA Guidelines would be met by the proposed project, an Addendum would be the appropriate environmental documentation for the proposed changes to the Waterfront Project, according to Section 15164 of the CEQA Guidelines.

CHAPTER 4 References

All documents are available for review at this address:

City of Huntington Beach Planning and Building Department Planning/Zoning Information Counter, 3rd Floor 2000 Main Street, Huntington Beach

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- RLM Properties. 1998. Impact of Conversion Report. February 19.
- The Robert Mayer Corporation. 2006. Tree Inventory Parcel C at The Waterfront Huntington Beach, California. January 23. Updated 2009.
- South Coast Air Quality Management District (SCAQMD). 1993. CEQA Air Quality Handbook.



City of Huntington Beach

2000 MAIN STREET

CALIFORNIA 92648

DEPARTMENT OF PLANNING AND BUILDING

www.huntingtonbeachca.gov

Planning Division 714.536.5271 February 28, 2012 Building Division 714.536.5241

Shawn Millbern The Robert Mayer Corporation 8951 Research Drive Irvine, CA 92618

SUBJECT:

COASTAL DEVELOPMENT PERMIT NO. 09-011 / CONDITIONAL USE PERMIT NO. 09-037 (HILTON WATERFRONT EXPANSION) - REVISED CODE REQUIREMENTS

Dear Mr. Millbern,

In order to assist you with your development proposal, staff has reviewed the project and identified applicable city policies, standard plans, and development and use requirements, excerpted from the City of Huntington Beach Zoning & Subdivision Ordinance and Municipal Codes. This list is intended to help you through the permitting process and various stages of project implementation should the Planning Commission approve your project.

It should be noted that this requirement list is in addition to any "conditions of approval" adopted by the Planning Commission if the project is approved. Please note that if the design of your project or site conditions change, the list may also change.

The Director of Planning and Building has interpreted the relevant Sections of the Zoning and Subdivision Ordinance to require that your project satisfy the following development standards. If you would like a clarification of any of these requirements, an explanation of the Huntington Beach Zoning & Subdivision Ordinance and Municipal Codes, or believe some of the items listed do not apply to your project, and/or you would like to discuss them in further detail, please contact me at 714-536-5561 or at ethan.edwards@surfcity-hb.org and/or the respective source department (contact person below).

Sincerely

Ethan Edwards Associate Planner

Enclosure

xc:

Jason Kwak, Building and Safety Department – 714-536-5278
Darin Maresh, Fire Department – 714-536-5531
Steve Bogart, Public Works – 714-536-1692
Jan Thomas/Kevin Kessler, Police Department – 949-348-8186
Herb Fauland, Planning Manager
Jason Kelley, Planning Department
Project File



HUNTINGTON BEACH PLANNING AND BUILDING DEPARTMENT

PROJECT IMPLEMENTATION CODE REQUIREMENTS

DATE:

September 8, 2010

PROJECT NAME:

HILTON WATERFRONT EXPANSION

PLANNING

APPLICATION NO.

PLANNING APPLICATION NO. 2009-321

ENTITLEMENTS:

COASTAL DEVELOPMENT PERMIT NO. 09-011, CONDITIONAL USE

PERMIT NO. 09-037

DATE OF PLANS:

DECEMBER 18, 2009

PROJECT LOCATION:

21100 Pacific Coast Highway, Huntington Beach (APN: 024-252-01)

PLAN REVIEWER:

GERALD CARAIG

TELEPHONE/E-MAIL:

714.374.1575 / GCARAIG@SURFCITY-HB.ORG

PROJECT DESCRIPTION: CDP: To permit the construction of the project within the coastal zone. CUP: To permit the construction of a 125 ft. high, nine-story 213,999 sq. ft. hotel building at the existing Hilton Waterfront Beach Resort. The project contains 151 guestrooms with additional facilities that include a ballroom, meeting rooms, restaurants, spa, retail stores, swimming pools, function

lawn, parking and other resort amenities.

The following is a list of code requirements deemed applicable to the proposed project based on plans stated above. The list is intended to assist the applicant by identifying requirements which must be satisfied during the various stages of project permitting and implementation. A list of conditions of approval adopted by the Planning Commission in conjunction with the requested entitlement(s), if any, will also be provided upon final project approval. If you have any questions regarding these requirements, please contact the Plan Reviewer.

I. SPECIAL CONDITIONS:

1. None

II. CODE ISSUES BASED ON PLANS & DRAWINGS SUBMITTED:

- Project shall comply with the current state building codes adopted by the City at the time of 1. permit application submittal. Currently they are 2007 California Building Code (CBC), 2007 California Mechanical Code, 2007 California Plumbing Code, 2007 California Electrical Code, 2007 California Energy Code and the Huntington Beach Municipal Code (HBMC). Compliance to all applicable state and local codes is required prior to issuance of building permit.
- If the project is formally submitted for review on or after January 1, 2011, the project will need to 2. conform to the 2010 California Building Code, 2010 California Mechanical Code, 2010 California Plumbing Code, 2010 California Electrical Code, 2010 California Energy Code, 2010 Green

Building Standards Code and the Huntington Beach Municipal Code (HBMC). Compliance to all applicable state and local codes is required prior to issuance of building permit.

- 3. A thorough building code analysis shall be provided encompassing but not limited to:
 - a. Classification of occupancy groups
 - b. Allowable area and height
 - c. Construction type
 - d. Mix occupancy provisions
 - e. Location of structures on site relative to the property line and to adjacent structures
 - f. Detailed requirements based on occupancy, e.g. high rise provisions
 - g. Fire resistance and rating provisions
 - h. Egress
 - i. Fire protection and alarm systems
 - i. Accessibility
 - k. Structural provisions
- 4. Recommendation: It would be advantageous to go over the overall building code analysis with the design team prior to committing to the preparation of construction documents to resolve any major code issue(s). Please contact our office to initiate a preliminary code assessment review/program.



HUNTINGTON BEACH FIRE DEPARTMENT PROJECT IMPLEMENTATION CODE REQUIREMENTS

DATE:

AUGUST 25, 2010

PROJECT NAME:

HILTON WATERFRONT EXPANSION

ENTITLEMENTS:

PLANNING APPLICATION NO. 2009-321

PROJECT LOCATION:

21100 Pacific Coast Highway, HUNTINGTON BEACH, CA

PLANNER:

ETHAN EDWARDS, ASSOCIATE PLANNER

TELEPHONE/E-MAIL:

(714) 536-5561/ Ethan.Edwards@surfcity-hb.org

PLAN REVIEWER-FIRE:

DARIN MARESH, FIRE DEVELOPMENT SPECIALIST

TELEPHONE/E-MAIL:

(714) 536-5531/ dmaresh@surfcity-hb.org

PROJECT DESCRIPTION: CDP: TO PERMIT THE CONSTRUCTION OF THE PROJECT WITHIN

THE COASTAL ZONE.

CUP: TO PERMIT THE CONSTRUCTION OF A 125 FT. HIGH, NINE-STORY 213,999 SQ. FT. HOTEL BUILDING AT THE EXISTING HILTON WATERFRONT BEACH RESORT. THE PROJECT CONTAINS 151 GUESTROOMS WITH ADDITIONAL FACILITIES THAT INCLUDE A BALLROOM, MEETING ROOMS, RESTAURANTS, SPA. RETAIL STORES, SWIMMING POOLS, FUNCTION LAWN, PARKING AND

OTHER RESORT AMENITIES.

The following is a list of code requirements deemed applicable to the proposed project based on plans received and dated August 4, 2010. The list is intended to assist the applicant by identifying requirements which must be satisfied during the various stages of project permitting and implementation. A list of conditions of approval adopted by the Planning Commission in conjunction with the requested entitlement(s), if any, will also be provided upon final project approval. If you have any questions regarding these requirements, please contact the Plan Reviewer- Fire: DARIN MARESH, FIRE DEVELOPMENT SPECIALIST.

PRIOR TO DEMOLITION, GRADING, SITE DEVELOPMENT, ISSUANCE OF GRADING PERMITS, BUILDING PERMITS, AND/OR CONSTRUCTION, THE FOLLOWING SHALL BE REQUIRED:

Fire Apparatus Access

Fire Access Roads shall be provided and maintained in compliance with City Specification # 401, Minimum Standards for Fire Apparatus Access. Driving area shall be capable of supporting a fire apparatus (75,000 lbs and 12,000 lb point load). Minimum fire access road width is twentyfour feet (24') wide, with thirteen feet six inches (13' 6") vertical clearance. Fire access roads

fronting commercial buildings shall be a minimum width of twenty-six feet (26') wide, with thirteen feet six inches (13' 6") vertical clearance. For Fire Department approval, reference and demonstrate compliance with City Specification # 401 *Minimum Standards for Fire Apparatus Access* on the plans. **(FD)**

Maximum Grade For Fire Apparatus Access Roads shall not exceed 10%. (FD)

No Parking shall be allowed in the designated 24 foot wide fire apparatus access road or supplemental fire access per City Specification # 415. For Fire Department approval, reference and demonstrate compliance with City Specification # 415 *Minimum Standards for Fire Apparatus Access* on the plans. **(FD)**

Fire Lanes, as determined by the Fire Department, shall be posted, marked, and maintained per City Specification #415, Fire Lanes Signage and Markings on Private, Residential, Commercial and Industrial Properties. The site plan shall clearly identify all red fire lane curbs, both in location and length of run. The location of fire lane signs shall be depicted. No parking shall be allowed in the designated 24 foot wide fire apparatus access road or supplemental fire access per City Specification # 415. For Fire Department approval, reference and demonstrate compliance with City Specification # 401 Minimum Standards for Fire Apparatus Access on the plans. (FD)

Fire Suppression Systems

Fire Alarms

Fire Alarm System is required. For Fire Department approval, shop drawings shall be submitted to the Fire Department as separate plans for permits and approval. For Fire Department approval, reference and demonstrate compliance with *CBC 907* on the plans. A C-10 electrical contractor, certified in fire alarm systems, must certify the system is operational annually. **(FD)**

Fire Sprinklers

Automatic Fire Sprinklers are required. NFPA13 Automatic fire sprinkler systems are required per Huntington Beach Fire Code for new buildings with "fire areas" 5000 square feet or more or for buildings 10,000 square feet or more. An addition of square footage to an existing building also triggers this requirement.

Separate plans (three sets) shall be submitted to the Fire Department for permits and approval. The system shall provide water flow, tamper and trouble alarms, manual pull stations, interior and exterior horns and strobes, and 24-hour central station monitoring.

Automatic fire sprinkler systems must be maintained operational at all times, with maintenance inspections performed quarterly and the system serviced every five years by a state licensed C-16 Fire Protection Contractor.

For Fire Department approval, reference that a fire sprinkler system will be installed in compliance with the Huntington Beach Fire Code, NFPA 13, and City Specification # 420 - Automatic Fire Sprinkler Systems in the plan notes.

NOTE: When buildings under construction are more than one (1) story in height and required to have automatic fire sprinklers, the fire sprinkler system shall be installed and operational to protect all floors lower than the floor currently under construction. Fire sprinkler systems for the current floor under construction shall be installed, in-service, inspected and approved prior to beginning construction on the next floor above. **(FD)**

Fire Department Connections (FDC) to the automatic fire sprinkler systems shall be located to the <u>front</u> of the building, at least 25 feet from and no farther than 150 feet of a properly rated fire hydrant. (FD)

Class 1 Standpipes (2 ½" NFH connections) are required at each stairway. The standpipe system in stairwells cannot protrude into, impede, or compromise the H.B.B.C. "Exit Width" requirements. For Fire Department approval, reference and portray Class 1 standpipes at each stairway in the plan notes. (FD)

Fire Protection Systems

Fire Extinguishers shall be installed and located in all areas to comply with Huntington Beach Fire Code standards found in *City Specification #424*. The minimum required dry chemical fire extinguisher size is 2A 10BC and shall be installed within 75 feet travel distance to all portions of the building. Extinguishers are required to be serviced or replaced annually. **(FD)**

Commercial Food Preparation Fire Protection System required for commercial cooking. Plans (three sets) shall be submitted to the Fire Department as separate plans for permits and approval. Reference compliance with City Specification # 412 Protection Of Commercial Cooking Operations in the plan notes. (FD)

Recreational or Decorative Fire Pits shall be fueled by domestic gas only and shall comply with the Huntington Beach Plumbing and Mechanical Codes and Huntington Beach Fire Department Guidelines for Recreational Fire Pits.(FD)

Fire Personnel Access

Main Secured Building Entries shall utilize a KNOX® Fire Department Access Key Box, installed and in compliance with City Specification #403, Fire Access for Pedestrian or Vehicular Security Gates & Buildings. Please contact the Huntington Beach Fire Department Administrative Office at (714) 536-5411 for information. Reference compliance with City Specification #403 - KNOX® Fire Department Access in the building plan notes. (FD)

Fire Sprinkler System Controls access shall be provided, utilizing a KNOX[®] Fire Department Access Key Box, installed and in compliance with City Specification #403, Fire Access for

Pedestrian or Vehicular Security Gates & Buildings. The approximate location of the system controls shall be noted on the plans. Reference compliance in the plan notes. (FD)

Elevators shall be sized to accommodate an ambulance gurney. Minimum interior dimensions are 7 feet (84") wide by 4 feet 3 inches (51") deep. Minimum door opening dimensions are 3 feet 6 inches (42") wide right or left side opening. Center opening doors require a 4 feet 6 inches (54") width. For Fire Department approval, reference and demonstrate compliance on the building plans. HBBC 3002.4 **(FD)**

High Rise Buildings

High Rise Buildings. Buildings classified as being 55 feet or more in height must comply with the requirements of the State Fire Marshall for a high-rise building. Also, all building three stories or taller must have the sprinkler system installed and operable on the first floor before combustible construction starts on the third floor. This applies to each and any subsequent floor, such that there cannot be more than one unprotected floor at anytime during the construction of any structure that is three or more stories high. (FD)

Subterranean Parking Garage - Ventilation Systems must have emergency smoke evacuation capability. A zoned, mechanical smoke and combustible products removal system, with manual controls for firefighters located in the fire control room shall be provided. This shall include an emergency power source. System shall also comply with Building Code and be adequate to exhaust carbon monoxide (CO). (FD)

Enhanced Communication Systems are required for Fire Department and Police Department communications in Subterranean Parking Garages. Repeater type radio systems as specified by the Fire and Police Departments shall provide adequate communication inside the parking garages, from inside the garages to the exterior, and to/from the fire control rooms. Abovegrade areas or floors found to have with poor radio reception may also require repeating systems. (FD)

Stairwell Required Minimum Widths. Standpipe systems in stairwell areas shall not impede code required minimum widths. (FD)

Fire Control Room required. Provide a dedicated room for the Fire Department to observe and monitor all systems operations from an integrated annunciator panel. They shall be located in an exterior location that is at grade level and has clear-to-the sky access. **(FD)**

GIS Mapping Information

- a. **GIS Mapping Information** shall be provided to the Fire Department in compliance with GIS Department CAD Submittal Guideline requirements. Minimum submittals shall include the following:
 - > Site plot plan showing the building footprint.
 - > Specify the type of use for the building

- > Location of electrical, gas, water, sprinkler system shut-offs.
- > Fire Sprinkler Connections (FDC) if any.
- > Knox Access locations for doors, gates, and vehicle access.
- Street name and address.

Final site plot plan shall be submitted in the following digital format and shall include the following:

- Submittal media shall be via CD rom to the Fire Department.
- > Shall be in accordance with County of Orange Ordinance 3809.
- > File format shall be in .shp, AutoCAD, AUTOCAD MAP (latest possible release) drawing file .DWG (preferred) or Drawing Interchange File .DXF.
- > Data should be in NAD83 State Plane, Zone 6, Feet Lambert Conformal Conic Projection.
- Separate drawing file for each individual sheet.
 In compliance with Huntington Beach Standard Sheets, drawing names, pen colors, and layering convention. and conform to City of Huntington Beach Specification # 409 Street Naming and Addressing.

For specific GIS technical requirements, contact the Huntington Beach GIS Department at (714) 536-5574.

For Fire Department approval, reference compliance with *GIS Mapping Information* in the building plan notes. **(FD)**

Building Construction

Exit Signs And Exit Path Markings will be provided in compliance with the Huntington Beach Fire Code and Title 24 of the California Administrative Code. Reference compliance in the plan notes. (FD)

Posting Of Room Occupancy is required. Any room having an occupant load of 50 or more where fixed seats are not installed, and which is used for assembly purposes, shall have the capacity of the room posted in a conspicuous place near the main exit per HBFC sec. 1004.3 **(FD)**

Policy For Maintaining Room Occupancy is required. The Fire Department would like to review your security policy that identifies the training and procedures that your business will use to insure the business occupancy load will be adhered to.

Egress Illumination/Emergency Exit Lighting with emergency back-up power is required. Provide means of egress illumination per HBFC 604.2.4 and UBC 1003.2.9. (FD)

Exit Ways and Aisles Plan is required for this project. HBFC section 408.2.1. Plans shall be submitted indicating the seating arrangement, location and width of exit ways and aisles for approval and an approved copy of the plan shall be kept on display on the premises. (FD)

THE FOLLOWING CONDITIONS SHALL BE MAINTAINED DURING CONSTRUCTION:

- Fire/Emergency Access And Site Safety shall be maintained during project construction phases in compliance with HBFC Chapter 14, Fire Safety During Construction And Demolition. (FD)
- b. Fire/Emergency Access And Site Safety shall be maintained during project construction phases in compliance with City Specification #426, Fire Safety Requirements for Construction Sites. (FD)

OTHER:

- a. Discovery of additional soil contamination or underground pipelines, etc., must be reported to the Fire Department immediately and the approved work plan modified accordingly in compliance with City Specification #431-92 Soil Clean-Up Standards. (FD)
- Outside City Consultants The Fire Department review of this project and subsequent plans may require the use of City consultants. The Huntington Beach City Council approved fee schedule allows the Fire Department to recover consultant fees from the applicant, developer or other responsible party. (FD)

Fire Department City Specifications may be obtained at:
Huntington Beach Fire Department Administrative Office
City Hall 2000 Main Street, 5th floor
Huntington Beach, CA 92648
or through the City's website at www.surfcity-hb.org

If you have any questions, please contact the Fire Prevention Division at (714) 536-5411.



CITY OF HUNTINGTON BEACH PLANNING DEPARTMENT

PROJECT IMPLEMENTATION CODE REQUIREMENTS

DATE:

August 25, 2010,

PROJECT:

HILTON WATERFRONT BEACH RESORT EXPANSION

PROJECT LOCATION:

21100 Pacific Coast Highway

REQUESTS:

TO PERMIT CONSTRUCTION OF A 125 FT HIGH, NINE-STORY 213,999

SQ FT HOTEL

PROJECT PLANNER:

ETHAN EDWARDS

PLAN REVIEWER:

JAN THOMAS

TELEPHONE/E-MAIL:

(949) 348-8186 JCKTHOMAS@COX.NET

The following is a list of code requirements deemed applicable to the proposed project based on plans received. The list is intended to assist the applicant by identifying requirements which must be satisfied during the various stages of project permitting and implementation. A list of conditions of approval adopted by the Zoning Administrator in conjunction with the requested entitlement(s), if any, will also be provided should the project be approved. If you have any questions regarding these requirements, please contact the Plan Reviewer.

CONCERN

It appears there may be public access to the pool area via the south sidewalk.

RECOMMENDATION

If this is the case, it is recommended that this entrance to the property be secured and public access to the pool area be allowed only through the building. (Guest only restricted card entry to enter through this gate.)

CONCERN

The pool floor plan on level one states, "Pool restrooms beneath landscape."

RECOMMENDATION

Restrooms, and entrance to restrooms should be clearly visible from pool deck.

CONCERN

It appears that the stairwell on the east side of the building, adjacent to Twin Dolphin Drive is enclosed with a solid wall.

RECOMMENDATION

Optimally, leaving this stairwell visible open allows for surveillance into that otherwise potentially concealed area. When the stairwell is open and visible, an offender cannot hide, and someone entering the stairwell can see before entering.

CONCERN

Visibility in subterranean parking/basement.

RECOMMENDATION

Ensure that parking structure lights illuminate the area between the vehicles (this is where most criminal activity may occur). Also, recommend paining the exterior of the structure white in order to reflect light thus increasing lighting effectiveness up to 20%.

CONCERN

The security office is located in the basement, which is beneficial in many ways. However, it is positioned in a location where the office does not overlook the activity in the parking structure.

RECOMMENDATION

Move the security office south and add a window so the security staff can monitor the activity in the structure.

Also, adding a window in the laundry/housekeeping area would benefit surveillance opportunities as well.

CONCERN

Fitness room safety

RECOMMENDATION

Install surveillance cameras in the fitness facility. (24 hour recorded and saved for 30 days – same as the rest of the property.)



HUNTINGTON BEACH PLANNING DIVISION

PROJECT IMPLEMENTATION CODE REQUIREMENTS

DATE:

FEBRUARY 9, 2012

PROJECT NAME:

HILTON WATERFRONT EXPANSION

PLANNING

APPLICATION NO.

PLANNING APPLICATION NO. 2009-321

FNTITLEMENTS:

COASTAL DEVELOPMENT PERMIT NO. 09-011, CONDITIONAL USE

PERMIT NO. 09-037

DATE OF PLANS:

DECEMBER 18, 2009

PROJECT LOCATION:

21100 PACIFIC COAST HIGHWAY, HUNTINGTON BEACH (APN: 024-

252-01)

PLAN REVIEWER:

KEVIN KESLER, DETECTIVE VICE UNIT

PROJECT DESCRIPTION: CDP: To permit the construction of the project within the coastal zone. CUP: To permit the construction of a 125 ft. high, nine-story 213,999 sq. ft. hotel building at the existing Hilton Waterfront Beach Resort. The project contains 151 guestrooms with additional facilities that include a ballroom. meeting rooms, restaurants, spa, retail stores, swimming pools, function

lawn, parking and other resort amenities.

The following is a list of code requirements deemed applicable to the proposed project based on plans stated above. The list is intended to assist the applicant by identifying requirements which must be satisfied during the various stages of project permitting and implementation. A list of conditions of approval adopted by the Planning Commission in conjunction with the requested entitlement(s), if any, will also be provided should final project approval be received. If you have any questions regarding these requirements, please contact the Plan Reviewer.

The Police Department does not believe the modification of the business will drastically affect the business activity or increase the potential to create public nuisances, as the location's primary business and emphasis will continue to be operating as a hotel.

To preserve the current atmosphere and to reduce the likelihood of disturbances created by intoxicated patrons, reduce noise disturbances and to reduce the risk of minors obtaining alcoholic beverages, the police department recommends the following conditions be applied to the proposed Conditional Use Permit.

1. Prior to commencing live entertainment activities, an Entertainment Permit must be obtained from the Police Department. All conditions contained in the Entertainment Permit shall be adhered to.

- Prior to the sale of alcoholic beverages, a license shall be obtained from the Alcoholic Beverage Control (ABC). All conditions contained in the ABC license shall be adhered to
- 3. The facility shall employ a video surveillance security system and a one-month video library. The minimum requirements for the cameras will be: color, digital recording to DVR and able to record in low light. Electronic copies of video must be made available to the Huntington Beach Police Department within 48 hours of request. Digital recordings shall be made available for viewing on-scene upon request by police officers conducting investigations.
- 4. 24-hour security shall be maintained at the facility.



CITY OF HUNTINGTON BEACH

PUBLIC WORKS INTERDEPARTMENTAL COMMUNICATION

PROJECT IMPLEMENTATION CODE REQUIREMENTS

DATE:

FEBRUARY 28, 2012

PROJECT NAME:

HILTON WATERFRONT EXPANSION

ENTITLEMENTS:

CUP 09-037, CDP 09-011

PLNG APPLICATION NO: 2009-0321

DATE OF PLANS:

DECEMBER 18, 2009

PROJECT LOCATION:

21100 PACIFIC COAST HIGHWAY

PROJECT PLANNER:

ETHAN EDWARDS, ASSOCIATE PLANNER

TELEPHONE/E-MAIL:

(714) 536-5561 / ETHAN.EDWARDS@SURFCITY-HB.ORG

PLAN REVIEWER:

STEVE BOGART, SENIOR CIVIL ENGINEER A

TELEPHONE/E-MAIL:

714-374-1692 / SBOGART@SURFCITY-HB.ORG

PROJECT DESCRIPTION: CDP: TO PERMIT THE CONSTRUCTION OF THE PROJECT WITHIN THE COASTAL ZONE. CUP: TO PERMIT THE CONSTRUCTION OF A 125 FT. HIGH. NINE-STORY 213,999 SQ. FT. HOTEL BUILDING AT THE EXISTING HILTON WATERFRONT BEACH RESORT. THE PROJECT CONTAINS 151 GUESTROOMS WITH ADDITIONAL FACILITIES THAT INCLUDE A BALLROOM, MEETING ROOMS, RESTAURANTS, SPA, RETAIL STORES, SWIMMING POOLS, FUNCTION LAWN, PARKING

AND OTHER RESORT AMENITIES.

The following is a list of code requirements deemed applicable to the proposed project based on plans as stated above. The items below are to meet the City of Huntington Beach's Municipal Code (HBMC), Zoning and Subdivision Ordinance (ZSO), Department of Public Works Standard Plans (Civil, Water and Landscaping) and the American Public Works Association (APWA) Standards Specifications for Public Works Construction (Green Book), the Orange County Drainage Area management Plan (DAMP), and the City Arboricultural and Landscape Standards and Specifications. The list is intended to assist the applicant by identifying requirements which shall be satisfied during the various stages of project permitting, implementation and construction. If you have any questions regarding these requirements, please contact the Plan Reviewer or Project Planner.

THE FOLLOWING DEVELOPMENT REQUIREMENTS SHALL BE COMPLETED PRIOR TO **ISSUANCE OF A GRADING PERMIT:**

A Precise Grading Plan, prepared by a Licensed Civil Engineer, shall be submitted to the Public 1. Works Department for review and approval. (MC 17.05/ZSO 230.84) The plans shall comply with Public Works plan preparation guidelines and include the following improvements on the plan:

- a. The subject site's proposed easterly driveway approach on Pacific View Drive shall be constructed as an ADA compliant driveway approach per Public Works Standard Plan No. 211. (ZSO 230.84)
- b. A new sewer lateral shall be installed connecting to the main in Pacific View Drive. (ZSO 230.84)
- A new domestic water service and meter shall be installed per Water Division Standards, and sized to meet the minimum requirements set by the California Plumbing Code (CPC).
- d. The existing irrigation water service(s) currently serving the existing development may potentially be utilized if they are of adequate size, conform to current standards, and are in working condition as determined by the Utilities Division. If the property owner elects to utilize the existing water service(s), all non-conforming water meters and backflow protection devices shall be upgraded to conform to the current Water Division Standards. Alternatively, a new separate irrigation water service(s), meter(s) and backflow protection device(s) may be installed per Water Division Standards. (ZSO 232)
- e. A separate irrigation water service and meter shall be installed per Water Division Standards. (ZSO 232)
- f. Separate backflow protection devices shall be installed per Water Division Standards for domestic, irrigation, and fire water services. (Resolution 5921 and Title 17)
- g. The existing domestic water services and meters shall be abandoned per Water Division Standards. (ZSO 230.84)
- h. If fire sprinklers are required by the Fire Department for the proposed development, a separate dedicated fire service line shall be installed. (ZSO 230.84)
- 2. Prior to the issuance of any grading or building permits for projects that will result in soil disturbance of one or more acres of land, the applicant shall demonstrate that coverage has been obtained under the Waste Discharge Requirements for Discharges of Storm Water Runoff Associated with Construction and Land Disturbance Activities (Order No. 2009-0009-DWQ) [General Construction Permit] by providing a copy of the Notice of Intent (NOI) submitted to the State of California Water Resources Control Board and a copy of the subsequent notification of the issuance of a Waste Discharge Identification (WDID) Number. Projects subject to this requirement shall prepare and implement a Stormwater Pollution Prevention Plan (SWPPP) conforming to the current National Pollution Discharge Elimination System (NPDES) requirements shall be submitted to the Department of Public Works for review and acceptance. A copy of the current SWPPP shall be kept at the project site and another copy to be submitted to the City. (DAMP)
- 3. A Project Water Quality Management Plan (WQMP), conforming to the current Waste Discharge Requirements Permit for the County of Orange [MS4 Permit] has been accepted the Department of Public Works on May 20, 2010 and will remain in effect until May 20, 2015. In the event that the subject project commences construction after May 20, 2015, a new WQMP, conforming to Order No. R8-2009-0030 (or such regulation that is then in effect), shall be prepared and submitted to the Department of Public Works for review and acceptance. The WQMP shall address Section XII of the MS4 Permit and all current surface water quality issues.
- The project WQMP shall include the following:
 - a. Low Impact Development.
 - b. Discusses regional or watershed programs (if applicable).

- c. Addresses Site Design BMPs (as applicable) such as minimizing impervious areas, maximizing permeability, minimizing directly connected impervious areas, creating reduced or "zero discharge" areas, and conserving natural areas.
- d. Incorporates the applicable Routine Source Control BMPs as defined in the Drainage Area Management Plan. (DAMP)
- e. Incorporates Treatment Control BMPs as defined in the DAMP.
- f. Generally describes the long-term operation and maintenance requirements for the Treatment Control BMPs.
- g. Identifies the entity that will be responsible for long-term operation and maintenance of the Treatment Control BMPs.
- h. Describes the mechanism for funding the long-term operation and maintenance of the Treatment Control BMPs.
- i. Includes an Operations and Maintenance (O&M) Plan for all structural BMPs.
- j. After incorporating plan check comments of Public Works, three final WQMPs (signed by the owner and the Registered Civil Engineer of record) shall be submitted to Public Works for acceptance. After acceptance, two copies of the final report shall be returned to applicant for the production of a single complete electronic copy of the accepted version of the WQMP on CD media that includes:
 - i) The 11" by 17" Site Plan in .TIFF format (400 by 400 dpi minimum).
 - ii) The remainder of the complete WQMP in .PDF format including the signed and stamped title sheet, owner's certification sheet, Inspection/Maintenance Responsibility sheet, appendices, attachments and all educational material.
- k. The applicant shall return one CD media to Public Works for the project record file.
- 5. Indicate the type and location of Water Quality Treatment Control Best Management Practices (BMPs) on the Grading Plan consistent with the Project WQMP. The WQMP shall be submitted with the first submittal of the Grading Plan.
- 6. A suitable location, as approved by the City, shall be depicted on the grading plan for the necessary trash enclosure(s). The area shall be paved with an impervious surface, designed not to allow run-on from adjoining areas, designed to divert drainage from adjoining roofs and pavements diverted around the area, and screened or walled to prevent off-site transport of trash. The trash enclosure area shall be covered or roofed with a solid, impervious material. Connection of trash area drains into the storm drain system is prohibited. If feasible, the trash enclosure area shall be connected into the sanitary sewer. (DAMP)
- 7. A detailed soils and geological/seismic analysis shall be prepared by a registered engineer. This analysis shall include on-site soil sampling and laboratory testing of materials to provide detailed recommendations for grading, over excavation, engineered fill, dewatering, settlement, protection of adjacent structures, chemical and fill properties, liquefaction, retaining walls, streets, and utilities. (MC 17.05.150)
- 8. The applicant's grading/erosion control plan shall abide by the provisions of AQMD's Rule 403 as related to fugitive dust control. (AQMD Rule 403)
- 9. The name and phone number of an on-site field supervisor hired by the developer shall be submitted to the Planning and Public Works Departments. In addition, clearly visible signs shall be posted on the perimeter of the site every 250 feet indicating who shall be contacted for information regarding this development and any construction/grading-related concerns. This

contact person shall be available immediately to address any concerns or issues raised by adjacent property owners during the construction activity. He/She will be responsible for ensuring compliance with the conditions herein, specifically, grading activities, truck routes, construction hours, noise, etc. Signs shall include the applicant's contact number, regarding grading and construction activities, and "1-800-CUTSMOG" in the event there are concerns regarding fugitive dust and compliance with AQMD Rule No. 403.

10. The applicant shall notify all property owners and tenants within 300 feet of the perimeter of the property of a tentative grading schedule at least 30 days prior to such grading.

THE FOLLOWING DEVELOPMENT REQUIREMENTS SHALL BE COMPLIED WITH DURING GRADING OPERATIONS:

- An Encroachment Permit is required for all work within the City's right-of-way. (MC 12.38.010/MC 14.36.030)
- 2. An Encroachment Permit is required for all work within Caltrans' right-of-way.
- 3. The developer shall coordinate the development of a truck haul route with the Department of Public Works if the import or export of material in excess of 5000 cubic yards is required. This plan shall include the approximate number of truck trips and the proposed truck haul routes. It shall specify the hours in which transport activities can occur and methods to mitigate construction-related impacts to adjacent residents. These plans must be submitted for approval to the Department of Public Works. (MC 17.05.210)
- 4. Water trucks will be utilized on the site and shall be available to be used throughout the day during site grading to keep the soil damp enough to prevent dust being raised by the operations. (California Stormwater BMP Handbook, Construction Wind Erosion WE-1)
- 5. All haul trucks shall arrive at the site no earlier than 8:00 a.m. or leave the site no later than 5:00 p.m., and shall be limited to Monday through Friday only. (MC 17.05)
- 6. Wet down the areas that are to be graded or that is being graded, in the late morning and after work is completed for the day. (WE-1/MC 17.05)
- 7. The construction disturbance area shall be kept as small as possible. (California Stormwater BMP Handbook, Construction Erosion Control EC-1) (DAMP)
- 8. All haul trucks shall be covered or have water applied to the exposed surface prior to leaving the site to prevent dust from impacting the surrounding areas. (DAMP)
- Prior to leaving the site, all haul trucks shall be washed off on-site on a gravel surface to prevent dirt and dust from leaving the site and impacting public streets. (DAMP)
- 10. Comply with appropriate sections of AQMD Rule 403, particularly to minimize fugitive dust and noise to surrounding areas. (AQMD Rule 403)
- 11. Wind barriers shall be installed along the perimeter of the site. (DAMP)
- 12. All construction materials, wastes, grading or demolition debris and stockpiles of soils, aggregates, soil amendments, etc. shall be properly covered, stored and secured to prevent transport into surface or ground waters by wind, rain, tracking, tidal erosion or dispersion. (DAMP)

THE FOLLOWING DEVELOPMENT REQUIREMENTS SHALL BE COMPLETED PRIOR TO ISSUANCE OF A BUILDING PERMIT:

- 1. A Precise Grading Permit shall be issued. (MC 17.05)
- The applicable Orange County Sanitation District Capital Facility Capacity Charge shall be paid to the City Department of Public Works. (Ordinance OCSD-40)

THE FOLLOWING DEVELOPMENT REQUIREMENTS SHALL BE COMPLETED PRIOR TO FINAL INSPECTION OR OCCUPANCY:

- 1. Complete all improvements as shown on the approved grading and landscape plans. (MC 17.05)
- 2. All new utilities shall be undergrounded. (MC 17.64)
- 3. All applicable Public Works fees shall be paid at the current rate unless otherwise stated in a separate agreement, per the Public Works Fee Schedule adopted by the City Council and available on the city web site at http://www.surfcityhb.org/files/users/public works/fee schedule.pdf. (ZSO 240.06/ZSO 250.16)
- 3. Prior to the issuance of the final certificate of occupancy, Traffic Impact Fees (MC 17.65) for this development shall be paid. The Traffic Impact Fee due is calculated below:

(151 rooms)(10 trips/room) = 1,510 trips

25% job/housing credit = (378 trips)

4. Net trips = $1,132 \text{ trips } \times \$75/\text{trip} = \$84,900.00$

- 5. Prior to grading or building permit close-out and/or the issuance of a certificate of use or a certificate of occupancy, the applicant shall:
 - a. Demonstrate that all structural Best Management Practices (BMPs) described in the Project WQMP have been constructed and installed in conformance with approved plans and specifications.
 - Demonstrate all drainage courses, pipes, gutters, basins, etc. are clean and properly constructed.
 - Demonstrate that applicant is prepared to implement all non-structural BMPs described in the Project WQMP.
 - d. Demonstrate that an adequate number of copies of the approved Project WQMP are available for the future occupiers.



HUNTINGTON BEACH PLANNING DIVISION

PROJECT IMPLEMENTATION CODE REQUIREMENTS

DATE:

February 28, 2012

PROJECT NAME:

HILTON WATERFRONT EXPANSION

PLANNING

APPLICATION NO.

PLANNING APPLICATION NO. 2009-321

ENTITLEMENTS:

COASTAL DEVELOPMENT PERMIT NO. 09-011, CONDITIONAL USE

PERMIT NO. 09-037

DATE OF PLANS:

DECEMBER 18, 2009

PROJECT LOCATION:

21100 PACIFIC COAST HIGHWAY, HUNTINGTON BEACH (APN: 024-

252-01)

PLAN REVIEWER:

ETHAN EDWARDS

TELEPHONE/E-MAIL:

714.536.5561 / ETHAN.EDWARDS@SURFCITY-HB.ORG

PROJECT DESCRIPTION:

CDP: To permit the construction of the project within the coastal zone. CUP: To permit the construction of a 125 ft. high, nine-story 213,999 sq. ft. hotel building at the existing Hilton Waterfront Beach Resort. The project contains 151 guestrooms with additional facilities that include a ballroom, meeting rooms, restaurants, spa, retail stores, swimming pools, function

lawn, parking and other resort amenities.

The following is a list of code requirements deemed applicable to the proposed project based on plans stated above. The list is intended to assist the applicant by identifying requirements which must be satisfied during the various stages of project permitting and implementation. A list of conditions of approval adopted by the Planning Commission in conjunction with the requested entitlement(s), if any, will also be provided should final project approval be received. If you have any questions regarding these requirements, please contact the Plan Reviewer.

CONDITIONAL USE PERMIT NO. 09-037 / COASTAL DEVELOPMENT NO 09-011:

- The site plan, floor plans, and elevations approved by the Planning Commission/Zoning Administrator shall be the conceptually approved design (with the following modifications).
 - a. The site plan shall include all utility apparatus, such as but not limited to, backflow devices and Edison transformers. Utility meters shall be screened from view from public right-of-ways. Electric transformers in a required front or street side yard shall be enclosed in subsurface vaults, or as otherwise screened from view as provided in the Special Permits for the project. Backflow prevention devices shall be not be located in the front yard setback and shall be screened from view. (HBZSO Section 230.76)

- b. All exterior mechanical equipment shall be screened from view on all sides. Rooftop mechanical equipment shall be setback a minimum of 15 feet from the exterior edges of the building. Equipment to be screened includes, but is not limited to, heating, air conditioning, refrigeration equipment, plumbing lines, ductwork and transformers. Said screening shall be architecturally compatible with the building in terms of materials and colors. If screening is not designed specifically into the building, a rooftop mechanical equipment plan showing proposed screening must be submitted for review and approval with the application for building permit(s). (HBZSO Section 230.76)
- c. The site plan and elevations shall include the location of all gas meters, water meters, electrical panels, air conditioning units, mailboxes (as approved by the United States Postal Service), and similar items. If located on a building, they shall be architecturally integrated with the design of the building, non-obtrusive, not interfere with sidewalk areas and comply with required setbacks. (HBZSO Section 230.76)
- d. Bicycle parking facilities shall be provided in accordance with the provisions of HBZSO Section 231.20 *Bicycle Parking*. (HBZSO Section 231.20)
- 2. Prior to issuance of demolition permits, the following shall be completed:
 - a. The applicant shall follow all procedural requirements and regulations of the South Coast Air Quality Management District (SCAQMD) and any other local, state, or federal law regarding the removal and disposal of any hazardous material including asbestos, lead, and PCB's. These requirements include but are not limited to: survey, identification of removal methods, containment measures, use and treatment of water, proper truck hauling, disposal procedures, and proper notification to any and all involved agencies. (AQMD Rule 1403)
 - b. The applicant shall complete all Notification requirements of the South Coast Air Quality Management District. (AQMD Rule 1403)
 - c. The City of Huntington Beach shall receive written verification from the South Coast Air Quality Management District that the Notification procedures have been completed. (AQMD Rule 1403)
- 3. Prior to issuance of grading permits, the following shall be completed:
 - a. A Landscape and Irrigation Plan, prepared by a Licensed Landscape Architect shall be submitted to the Planning and Building Department for review and approval. (HBZSO Section 232.04) (For private properties)
 - b. "Smart irrigation controllers" and/or other innovative means to reduce the quantity of runoff shall be installed. (HBZSO Section 232.04.D)
 - c. All landscape planting, irrigation and maintenance shall comply with the City Arboricultural and Landscape Standards and Specifications. (HBZSO Section 232.04.B)
 - d. Landscaping plans should utilize native, drought-tolerant landscape materials where appropriate and feasible. (HBZSO Section 232.06.A)
- 5. Prior to issuance of building permits, the following shall be completed:

- a. The Downtown Specific Plan fee shall be paid. (for new construction in the Downtown Specific Plan (SP-5) area) (Resolution No. 5328)
- 6. During demolition, grading, site development, and/or construction, the following shall be adhered to:
 - a. Existing street tree(s) to be inspected by the City Inspector during removal of concrete and prior to replacement thereof. Tree replacement or root/tree protection, will be specified upon the inspection of the root system. (Resolution No. 4545)
 - b. All Huntington Beach Zoning and Subdivision Ordinance and Municipal Code requirements including the Noise Ordinance. All activities including truck deliveries associated with construction, grading, remodeling, or repair shall be limited to Monday - Saturday 7:00 AM to 8:00 PM. Such activities are prohibited Sundays and Federal holidays. (HBMC 8.40.090)
- 7. The Development Services Departments (Building & Safety, Fire, Planning and Public Works) shall be responsible for ensuring compliance with all applicable code requirements and conditions of approval. The Director of Planning may approve minor amendments to plans and/or conditions of approval as appropriate based on changed circumstances, new information or other relevant factors. Any proposed plan/project revisions shall be called out on the plan sets submitted for building permits. Permits shall not be issued until the Development Services Departments have reviewed and approved the proposed changes for conformance with the intent of the Planning Commission's action. If the proposed changes are of a substantial nature, an amendment to the original entitlement reviewed by the Planning Commission may be required pursuant to the provisions of HBZSO Section 241.18. (HBZSO Section 241.18)
- 8. The project shall comply with all applicable requirements of the Municipal Code, Building & Safety Department and Fire Department, as well as applicable local, State and Federal Fire Codes, Ordinances, and standards, except as noted herein. (City Charter, Article V)
- 9. Construction shall be limited to Monday Saturday 7:00 AM to 8:00 PM. Construction shall be prohibited Sundays and Federal holidays. (HBMC 8.40.090)
- 10. All landscaping shall be maintained in a neat and clean manner, and in conformance with the HBZSO. Prior to removing or replacing any landscaped areas, check with the Departments of Planning and Public Works for Code requirements. Substantial changes may require approval by the Planning Commission. (HBZSO Section 232.04)

ORDINANCE	NO.	



AN ORDINANCE OF THE CITY OF HUNTINGTON BEACH ADOPTING THE FIRST AMENDMENT TO AMENDED AND RESTATED DEVELOPMENT AGREEMENT BY AND BETWEEN CITY OF HUNTINGTON BEACH, MAYER FINANCIAL, L.P., AND THE WATERFRONT HOTEL, LLC

WHEREAS, the City of Huntington Beach ("City"), Mayer Financial, L.P. ("Developer") and the Waterfront Hotel, LLC ("Waterfront") (collectively, City, Develop, and Waterfront are referred to herein as the "Parties") have entered into that certain Amended and Restated Development Agreement dated as of September 21, 1998 that was recorded in the Official Records of the Orange County Recorder's office on October 21, 1998, as Instrument No. 19980711512 (the "Development Agreement"); and

The Redevelopment Agency of the City of Huntington Beach ("Agency") and Developer have entered into that certain unrecorded Amended and Restated Disposition and Development Agreement dated as of September 14, 1998, as amended by the First, Second, Third, Fourth, and Fifth Implementation Agreements thereto (collectively, the "DDA"). Among other things, the DDA provides for the conveyance by Agency to Waterfront of a long-term leasehold interest in the Third Hotel Portion (referred to in the DDA as "Parcel C"), which lease will at that time cover the combined Hilton Parcel (referred to in the DDA as the Waterfront Hilton Beach Resort parcel) and the Third Hotel Portion (Parcel C) upon the timely satisfaction of certain conditions and Waterfront's subsequent development on the combined Third Hotel Portion and Hilton Parcel of an expanded hotel and related improvements (collectively, the "Expanded Hotel"); and

The Fifth Implementation Agreement to the DDA provides Developer the right to obtain extensions to the deadline for satisfaction of the conditions precedent for conveyance of the long-term leasehold interest in the Third Hotel Portion (Parcel C) from Agency to Waterfront and Waterfront's deadline under the long-term lease for commencement and completion of construction of the Expanded Hotel. Such extensions could extend beyond October 21, 2013, the date currently specified in Section 4.2.4 the Development Agreement for the termination of the Development Agreement as to the Third Hotel Portion (Parcel C) if a Certificate of Completion is not issued for the Third Hotel Portion (Parcel C) by that date; and

It is the intention of the Parties that the term of the Development Agreement be consistent with the outside deadline in the DDA for the development and completion of the Expanded Hotel on the Third Hotel Portion (Parcel C); and

The Parties each mutually desire to amend the terms of the Development Agreement with one another to ensure that the Property is developed in accordance with the Development Agreement to achieve the mutually beneficial development of the Property.

The Parties each mutually desire to amend the terms of the Development Agreement with one another to ensure that the Property is developed in accordance with the Development Agreement to achieve the mutually beneficial development of the Property.

NO ordain as fo	W, THEREFORE, the City Council of the City of Huntington Beach does hereby ollows:			
SECTION 1. That the City Council hereby finds that Development Agreement No. conforms to Government Code Section 65864 et. seq. and that:				
a)	Development Agreement No is consistent with the Huntington Beach General Plan and the applicable provisions of Specific Plan No. 13; and			
b)	Development Agreement No is consistent with Chapter 246 of the Huntington Beach Zoning and Subdivision Ordinance (HBZSO) and the Huntington Beach Municipal Code; and			
c)	Development Agreement No will not be detrimental to the health, safety and general welfare, and will not adversely affect the orderly development of the property because it is consistent with applicable land use regulations of Specific Plan No. 13, mitigation measures adopted for the Project in accordance with Addendum EIR No. 07-003, and conditions approved for Site Plan Review No. 10-001; and			
d)	The City Council has considered the fiscal effect of Development Agreement No. on the City and the effect on the housing needs of the region in which the City is situated and has balanced these needs against the public service needs of its residents and available fiscal and environmental resources.			
SECTION 2. Based on the above findings, the City Council of the City of Huntington Beach hereby approves the First Amendment to Development Agreement No and adopts it by this ordinance pursuant to Government Code Section 65867.5. This action is subject to a referendum.				

SECTION 2. This ordinance si	half become effective 30 days after its adoption.
PASSED AND ADOPTED by t regular meeting thereof held on the	he City Council of the City of Huntington Beach at a day of, 2012.
	Mayor
ATTEST:	APPROVED AS TO FORM:
City Clerk	City Attorney 10 2-15-12 2.17.12
REVIEWED AND APPROVED:	INITIATED AND APPROVED:
City Manager	Director of Planning and Building

FIRST AMENDMENT TO AMENDED AND RESTATED DEVELOPMENT AGREEMENT BY AND BETWEEN CITY OF HUNTINGTON BEACH, MAYER FINANCIAL, L.P., AND THE WATERFRONT HOTEL, LLC

This FIRST AMENDMENT TO AMENDED AND RESTATED DEVELOPMENT AGREEMENT (the "First Amendment") is dated as of _______, 2012, and is being entered into by and between the CITY OF HUNTINGTON BEACH, a charter city ("City"), MAYER FINANCIAL, L.P., a California limited partnership ("Developer"), and THE WATERFRONT HOTEL, LLC, a California limited liability company ("Waterfront") (collectively, City, Developer, and Waterfront are referred to herein as the "Parties").

RECITALS

- A. City, Developer, and Waterfront have entered into that certain Amended and Restated Development Agreement dated as of September 21, 1998 that was recorded in the Official Records of the Orange County Recorder's office on October 21, 1998, as Instrument No. 19980711512 (the "Development Agreement"). All capitalized terms used in this First Amendment that are not defined herein shall have the same meanings ascribed to those terms in the Development Agreement. Among other things, the Development Agreement sets forth certain rights and obligations of the Parties with respect to the properties identified therein as the "Third Hotel Portion" and the "Hilton Parcel."
- B. The Redevelopment Agency of the City of Huntington Beach ("Agency") and Developer have entered into that certain unrecorded Amended and Restated Disposition and Development Agreement dated as of September 14, 1998, as amended by the First, Second, Third, Fourth, and Fifth Implementation Agreements thereto (collectively, the "DDA"). Among other things, the DDA provides for the conveyance by Agency to Waterfront of a long-term leasehold interest in the Third Hotel Portion (referred to in the DDA as "Parcel C"), which lease will at that time cover the combined Hilton Parcel (referred to in the DDA as the Waterfront Hilton Beach Resort parcel) and the Third Hotel Portion (Parcel C) upon the timely satisfaction of certain conditions and Waterfront's subsequent development on the combined Third Hotel Portion and Hilton Parcel of an expanded hotel and related improvements (collectively, the "Expanded Hotel").
- C. The Fifth Implementation Agreement to the DDA provides Developer the right to obtain extensions to the deadline for satisfaction of the conditions precedent for conveyance of the long-term leasehold interest in the Third Hotel Portion (Parcel C) from Agency to Waterfront and Waterfront's deadline under the long-term lease for commencement and completion of construction of the Expanded Hotel. Such extensions could extend beyond October 21, 2013, the date currently specified in Section 4.2.4 the Development Agreement for the termination of the Development Agreement as to the Third Hotel Portion (Parcel C) if a Certificate of Completion is not issued for the Third Hotel Portion (Parcel C) by that date.

E. It is the intention of the Parties that the term of the Development Agreement be consistent with the outside deadline in the DDA for the development and completion of the Expanded Hotel on the Third Hotel Portion (Parcel C).

COVENANTS

Based on the foregoing Recitals, which are incorporated into this First Amendment by this reference, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, City, Developer, and Waterfront agree that the Development Agreement shall be amended as follows:

- 1. The phrase on line 5 of Section 4.2.4 of the Development Agreement which reads "and fifteen (15) years from the Adoption Date for the Third Hotel Portion of the Commercial Parcel" is hereby amended to read "and twenty (20) years from the Adoption Date for the Third Hotel Portion of the Commercial Parcel."
- 2. Except as expressly set forth in this First Amendment, all of the terms and provisions set forth in the Development Agreement shall remain in full force and effect (to the extent the same have not been previously terminated with respect to the Ocean Grand Resort Portion of the Commercial Parcel and the Residential Parcel as set forth in Section 4.2.2.2 thereof).

IN WITNESS WHEREOF, the parties have executed this First Amendment to Amended and Restated Development Agreement as of the date set forth above.

	TER FINANCIAL, L.P. lifornia limited partnership,	CITY OF HUNTINGTON BEACH a municipal corporation of the State of California
Ву:	RLM Management, Inc. a California corporation General Partner	
By:		
	obert L. Mayer, Jr., President	Mayor
	WATERFRONT HOTEL, LLC ifornia limited liability company	
Ву:	Waterfront Development, Inc., a California corporation, Manager	
By:_		
R	Robert L. Mayer, Jr., Chief Executive Offi	CCI

ATTEST:	APPROVED AS TO FORM:
City Clerk	City Attorney MV-2-13-12
REVIEWED AND APPROVED:	INITIATED AND APPROVED:
City Manager	Director of Planning & Building

AMENDED AND RESTATED DEVELOPMENT AGREEMENT BY AND BETWEEN CITY OF HUNTINGTON BEACH, AND

MAYER FINANCIAL, LTD.,
A CALIFORNIA LIMITED PARTNERSHIP, AND
THE WATERFRONT HOTEL, LLC,
A CALIFORNIA LIMITED LIABILITY COMPANY

THIS AMENDED AND RESTATED DEVELOPMENT AGREEMENT is entered into as of the 21st day of September, 1998, by and between the CITY OF HUNTINGTON BEACH, a charter city ("City"), and MAYER FINANCIAL, LTD., a California limited partnership, ("Developer") and THE WATERFRONT HOTEL, LLC, a California limited liability company ("Waterfront") (collectively, City, Developer, and Waterfront are the "Parties").

RECITALS OF PREMISES, PURPOSE AND INTENT

1.1 Background

- Robert L. Mayer, as Trustee of the Robert L. Mayer Trust of 1982, as amended ("Mayer") entered into a development agreement for the development of the Site for commercial and residential uses (the "Original Development Agreement"). Since adoption of the Original Development Agreement, development was completed on the Hilton Parcel in accordance with the criteria established therein, but development of the other portions of the Site has not occurred as anticipated by the Original Development Agreement. In addition, Mayer assigned his rights and obligations as set forth in the Original Development Agreement to Developer as to that portion of the Site for which development in accordance with the terms of the Original Development Agreement has not taken place (the "Property"). The Parties desire to amend the Original Development Agreement to establish new criteria for the development of the Property.
- 1.1.2 <u>Original Development Agreement Superceded</u>. This Agreement supersedes the Original Development Agreement. The Original Development Agreement shall have no force or effect on and after the Adoption Date of this Agreement.

1.2 Code Authorization

To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted the Development Agreement Act which authorizes any city to enter into binding development agreements establishing certain development rights in real property with persons having legal or equitable interests in such property. Section 65864 of the Development Agreement Act expressly provides, in part, as follows:

The Legislature finds and declares that:

- (a) The lack of certainty in the approval of development projects can result in a waste of resources, escalate the cost of housing and other development to the consumer, and discourage investment in and a commitment to comprehensive planning which would make maximum efficient utilization of resources at the least economic cost to the public.
- (b) Assurance to the applicant for a development project that upon approval of the project, the applicant may proceed with the project in accordance with existing policies, rules and regulations, and subject to conditions of approval, will strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic costs of development.

1.3 Reasons for Agreement

The Parties hereto have previously determined that development of the Site is of such a size and scale that a development agreement was and remains appropriate. Development of the Hilton Parcel occurred in accordance with the terms of the Original Development Agreement, and development of the remainder of the Site in accordance with the Original Development Agreement, as herein amended, will provide for the orderly development of such land in accordance with the objectives set forth in the General Plan, the Specific Plan, the Redevelopment Plan, and the Local Coastal Program.

Because of the complexities of development of the Property, certainty in land use, density and intensity of development to both the City and the Developer in the development process is an absolute necessity. Moreover, by amending and restating the Original Development Agreement, the Parties will up-date the planning for and secure the orderly development of the Property to ensure attainment of the maximum efficient utilization of resources within the City at the least economic cost to its citizens, the provision of public services, public uses, urban infrastructure and other goals and purposes for which the Development Agreement Act was enacted, and the promotion of the health, safety and general welfare of the City of Huntington Beach and its residents.

As a result of the development of the Site in accordance with the Original Development Agreement as amended and restated in this Agreement, City will receive substantial benefits, including: commercial and residential development of an intensity or density and aesthetic quality desired by the community, additional employment opportunities, increased property and sales tax revenues, and the provision of desired public facilities. In consideration of those benefits, the City herein provides Developer assurance that during the term of this Agreement, it may develop, maintain and use the Property in accordance with the terms and conditions of this Agreement.

1.4 City Procedures

City has undertaken the necessary proceedings required by State Law and Chapter 246 of the Zoning Ordinance, and has found and determined:

- (a) That this Agreement is consistent with the General Plan, the Specific Plan, and the Local Coastal Program;
- (b) That this Agreement is consistent with Chapter 246 of the Zoning Ordinance, the Code, and the State of California Subdivision Map Act;
- (c) That this Agreement will not be detrimental to the health, safety and general welfare, and will not adversely affect the orderly development of property; and
- (d) That the City Council has considered the fiscal effect of this Agreement on the City and the effect on the housing needs of the region in which the City is situated and has balanced these needs against the public service needs of its residents and available fiscal and environmental resources.

1.4 Effect of Agreement; Inconsistency Resolution

This Agreement does not (1) grant density or intensity in excess of that otherwise established in the Applicable Rules, (2) supersede, nullify or amend any condition imposed in the Project Approvals, (3) guarantee to Developer any profits from the Property, the Project, or any portion thereof, or (4) prohibit or, if legally required, indicate Developer's consent to, the Property's inclusion in any public financing district or assessment district. Notwithstanding the foregoing, in the event of any conflict between the provisions of the General Plan, the Specific Plan, the Zoning Ordinance, or any other provision of the Code, and the provisions of this Agreement, the provisions of this Agreement shall prevail, and in the event of any conflict between the provision of this Agreement and the DDA, the DDA shall prevail.

1.5 <u>Interest of Developer</u>

Developer represents that as of the date of execution of this Agreement, Developer has interests in the Property under (i) that certain Third Amended and Restated Lease dated as of April 18, 1989, by and between the Redevelopment Agency of the City of Huntington Beach and Mayer, as amended on or about November 16, 1992, by the First Amendment to Third Amended and Restated Lease, and by the Lease Assignment and Assumption Agreement by and between Mayer and Developer dated 1997; and (ii) the DDA. In addition, Waterfront represents that as of the date of execution of this Agreement, Waterfront has interests in the Hilton Parcel under that certain Lease by and between the Redevelopment Agency of the City of Huntington Beach and Waterfront Construction No. 1, a California limited partnership, dated as of April 28, 1989, as assigned by Waterfront Construction No. 1 to Waterfront pursuant to the Lease Assignment and Assumption Agreement recorded on July 17, 1997, as Instrument No. 1997038159 in the official records of the Orange County Recorder's Office.

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1.6 Environmental Review Process

On July 18, 1983, by Council Resolution No.5284, the City Council certified, after making appropriate findings, Environmental Impact Report 82-2 for the Specific Plan ("EIR 82-2"). On August 15, 1988, by Council Resolution No. 5913, the City Council certified, after making appropriate findings, Supplemental Environmental Impact Report No. 82-2 for the Original Development Agreement and all development contemplated thereunder. On September 14, 1998, by Council Resolution No. 98-71, the City Council certified, after making appropriate findings, an addendum to the Supplement to EIR 82-2 prepared for the Project under the provisions of the California Environmental Quality Act (California Public Resources Code Section 21000, et seq).

1.7 Project Is Private Undertaking

It is specifically understood and agreed to by and between the Parties hereto that: (1) the subject development is a private development; (2) there are no third party beneficiaries to this Agreement; (3) Developer shall have full power over and exclusive control of the Property subject only to the limitations and obligations of Developer under this Agreement and the DDA; and (4) the contractual relationship between City and Developer and between City and Waterfront is such that neither Developer nor Waterfront is an agent of City, nor is City an agent of Developer or Waterfront.

Notwithstanding the foregoing, nothing contained in this Agreement shall be deemed to waive or modify any otherwise applicable right or obligation which City, acting in its governmental capacity and not as a Party to this Agreement, may have to Developer, Waterfront, or any other party, under and in accordance with all applicable laws.

2. DEFINITIONS

For purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- 2.1 "Adoption Date" means the effective date of the Approval Ordinance.
- 2.2 "Agency" means the Redevelopment Agency of the City of Huntington Beach.
- 2.3 "Applicable Rules" means the ordinances, resolutions, rules, regulations, requirements and official policies of the City in force as of November 2, 1988, (the Effective Date of the Original Development Agreement) governing permitted land uses, density and intensity of buildings, growth control, subdivision, zoning, grading, landscaping, signage and design, and improvement standards applicable to development of the Property, including, but not limited to, the General Plan, the Specific Plan, the Local Coastal Program, the Code, the Zoning Ordinance, and the Downtown Design Guidelines, except as specifically modified by this Agreement or the DDA, and shall also include the Project Approvals.

- 2.4 "Approval Ordinance" means Ordinance No.3405, adopted by the City Council of the City on September 21, 1998, approving this Agreement.
 - 2.5 "City" means the City of Huntington Beach, California.
 - 2.6 "Code" means the Huntington Beach Municipal Code.
 - 2.7 "Council" or "City Council" means the City Council of the City of Huntington Beach.
- 2.8 "DDA" means the Amended and Restated Disposition and Development Agreement by and between the Redevelopment Agency of the City of Huntington Beach and Developer adopted by the Agency on September 14, 1998.
 - 2.9 "Developer" means Mayer Financial, Ltd., a California limited partnership.
- 2.10 "Development Agreement Act" means Sections 65864, et seq., of the California Government Code.
- 2.11 "Development Fees" means and includes all fees charged by the City in connection with the application, processing, and approval or issuance of permits for the development of property, including, without limitation: application fees; permit processing fees; inspection fees; utility capacity fees; service or connection fees; development impact or major facilities fees; park fees; flood control fees; environmental impact mitigation fees; and any similar governmental fees, charges and exactions required for the development of the Project.
 - 2.12 "Director" means the Director of Planning of the City.
- 2.13 "Downtown Design Guidelines" means those Guidelines adopted by City Council Resolution No. 5572 on September 3, 1985.
- 2.14 "Effective Date" means the date the Original Development Agreement became effective, November 2, 1988.
- 2.15 "EIR" means Environmental Impact Report 82-2, as modified by Supplemental Environmental Impact Report 82-2, and by the Addendum considered on September 14, 1998.
 - 2.16 "General Plan" means the General Plan of City as adopted on the Effective Date.
- 2.17 "Hilton Parcel" means that approximately 3.6 acre portion of the Site which is the subject of that certain lease by and between the Agency and Waterfront Construction No. 1 dated as of April 28, 1989, as subsequently assigned by Waterfront Construction No. 1 to Waterfront, and upon which has been constructed the Waterfront Hilton Beach Resort. A site map for the Hilton Parcel is set forth in Exhibit A, and the legal description of the Hilton Parcel is set forth in Exhibit B.

- 2.18 "Local Coastal Program" means the Local Coastal Program of the City of Huntington Beach as in effect on the Effective Date.
- 2.19 "Mayer" means Robert L. Mayer, as Trustee of The Robert L. Mayer Trust of 1982, dated June 22, 1982, as amended.
- 2.20 "Mortgagee" means a mortgagee of a mortgage and a beneficiary under a deed of trust.
- 2.21 "Original Development Agreement" means that agreement entitled "Development Agreement By and Between the City of Huntington Beach and Robert L. Mayer, as Trustee of the Robert L. Mayer Trust of 1982, dated June 22, 1982, as Amended," adopted by the City Council of the City on October 3, 1988, by Ordinance No. 2962.
- 2.22 "Project" means the Property and the proposed development of the Property for commercial and residential uses and supporting public facilities in accordance with the terms of this Agreement.
- 2.23 "Project Approvals" means all City discretionary entitlements approved for the development of the Project as of the date of adoption of the Approval Ordinance, which approvals are as follows:
 - 2.23.1 Council Resolution No. 98-71, adopted on September 14, 1998, approving environmental findings including an addendum to the EIR;
 - 2.23.2 This Amended and Restated Development Agreement, No. 98-1, approved by Ordinance No. 3405 adopted on September 21, 1998;
 - 2.23.3 Coastal Development Permit No. 97-15 for commercial development on the Ocean Grand Resort Portion, as approved by the City Council on September 14, 1998;
 - 2.23.4 Coastal Development Permit No. 98-6 for interim uses on the Third Hotel Portion, as approved by the Planning Commission on August 25, 1998;
 - 2.23.5 Conditional Use Permit No. 97-46 for certain commercial development on the Ocean Grand Resort Portion, Special Permits issued in connection therewith, and approval of the Commercial Site Master Plan for the Commercial Parcel, as approved by the City Council on September 14, 1998;
 - 2.23.6 Conditional Use Permit No. 98-9 for interim uses on the Third Hotel Portion, as approved by the Planning Commission on August 25, 1998;

Tentative Tract Map No. 15535 and any final subdivision map 2.23.7 consistent therewith and with this Agreement; Council Ordinance No. 3406, adopted on September 21, 1998, 2,23,8 approving Precise Plan of Street Alignment No. 98-1 for Pacific View Avenue; Design Review No. 97-20 for the commercial development on the 2.23.9 Ocean Grand Hotel Portion, as approved by the Design Review Board on January 22, 1998; Design Review No. 98-14 for interim uses on the Third Hotel 2.23.10 Portion, as approved by the Design Review Board on July 9, 1998; The Impact of Conversion Report dated February 2, 1988, as 2.23.11 approved by Planning Commission Resolution No. 1395 adopted on June 8, 1988, and the Relocation Assistance Plan dated June 8, 1988, as approved by Planning Commission Resolution No. 1396 adopted on June 8, 1988, for conversion of the existing mobilehome park on the Property, The Concept Approval for the Shipley Nature Center approved by the 2.23.12 City Council on May 6, 1991.

Project Approvals also include all conditions of approval adopted by the City in connection with any of the foregoing.

- 2.24 "Property" means that portion of the Site other than the Hilton Parcel. A site map for the Property is set forth in Exhibit C, and the legal description of the Property is set forth in Exhibit D. For purposes of reference in this Agreement, the Property is divided into the following segments:
 - 2.24.1 "Commercial Parcel" means that approximately 18.82 acre portion of the Property upon which commercial uses shall be permitted as set forth in Section 3.1.1.1 of this Agreement. The Commercial Parcel is divided into two portions:
 - (a) the approximately 15.27 acre "Ocean Grand Resort Portion"; and
 - (b) the approximately 3.55 acre "Third Hotel Portion."

The Commercial Parcel and the division thereof into the Ocean Grand Resort Portion and the Third Hotel Portion are described in Exhibit E.

2.24.2 "Residential Parcel" means that approximately 22.3 acre portion of the Property upon which residential uses shall be permitted as set forth in Section 3.1.1.2 of this Agreement. The Residential Parcel is described in Exhibit F.

Reference to the Property shall mean and include reference to any portion of the Property whether or not such portion is held in common ownership with the remainder of the Property, except as otherwise specifically referred to in this Agreement.

- 2.25 "Redevelopment Plan" means the Huntington Beach Redevelopment Plan as approved by Ordinance No. 3343 on December 16, 1996.
- 2.26 "Site" means the land subject to the Original Development Agreement, consisting of the Property and the Hilton Parcel, collectively.
 - 2.27 "Specific Plan" means the Downtown Specific Plan as adopted on the Effective Date.
- 2.28 "Subsequent Permits" means any and all land use entitlements and permits not included in the Project Approvals which are required by law for development of the Property, including, but not limited to, building permits.
- 2.29 "Term" means the term of this Agreement, as provided in Section 4.2 of this Agreement.
- 2.30 "Waterfront" means The Waterfront Hotel, LLC, a California limited liability company.
- 2.31 "Zoning Ordinance" means the Huntington Beach Zoning and Subdivision Ordinance as it exists on the Effective Date.

3. DEVELOPMENT OF THE SITE

3.1 Land Use Approvals and Covenants

- 3.1.1 <u>Land Uses. Densities and Intensities on the Property</u>. City agrees that during the Term of this Agreement, Developer and its successors and assigns, as permitted by Section 3.1.5 hereof, shall have the right to develop and use the Property in accordance with the land uses, density of development and intensity of development, the zoning, and the development standards, conditions and improvement requirements specified in the Applicable Rules, except as set forth in this section 3.1.
- 3.1.1.1 <u>Commercial Parcel</u>. Notwithstanding any other provision of law, use of and development on the Commercial Parcel shall conform to the following requirements:

- (a) Notwithstanding anything to the contrary contained in the Applicable Rules, to the extent the Project Approvals establish standards more stringent than those in the Applicable Rules, such standards shall apply to development on the Commercial Parcel.
- (b) Except as set forth in this Agreement, use and development of the Ocean Grand Resort Portion of the Commercial Parcel shall conform to all applicable requirements for that Portion as set forth in the Project Approvals and in the DDA.
- (c) Developer may construct and use temporary improvements on the Third Hotel Portion of the Commercial Parcel for up to 150 surface parking spaces and the existing tent pavilion, and other uses permitted by Conditional Use Permit No. 98-9, all in conformance with all applicable requirements for that Portion as set forth in the Project Approvals, and in accordance with and subject to the limitations specified in that certain "Parcel C Short Term Lease" to be entered into as defined and provided for in the DDA (the "Interim Use Rights").
- (d) Upon termination of the Interim Use Rights, use and development of the Third Hotel Portion of the Commercial Parcel shall conform to Option 1 or 2 for Phase 3 Permanent Use set forth in the Commercial Site Master Plan (see section 2.23.5), subject to the issuance of Subsequent Permits, including, but not limited to, a conditional use permit, coastal development permit, special permits and/or other applicable permits. Subject to the other provisions of this Agreement, and without affecting a pre-judgment of such Subsequent Permits, the Parties agree that the City shall act reasonably and cooperatively in the review of any Subsequent Permit, in keeping with the intentions of the parties under this Agreement; and further, that the City's rejection, if at all, of any such Subsequent Permits would, notwithstanding the provisions of Section 4.1.02 of the Specific Plan, be necessarily based on a finding that:
- (i) the Subsequent Permit is not substantially in compliance with or of the same character as the Project Approvals, or
- (ii) the design of the proposed project is incompatible with the quality or character of the neighboring commercial uses, or
- (iii) there is, as a result of the proposed project, a genuine, significant unmitigatible impact to the environment (other than general growth management issues) not previously disclosed, or readily known, at the time of the Project Approvals, or
- (iv) the proposed project is inconsistent with objectives of the Specific Plan in achieving a development adapted to the terrain and compatible with the surrounding environment, or
- (v) the Subsequent Permit is inconsistent with the policies of the Coastal Element of the General Plan and the California Coastal Act, or
- (vi) the Subsequent Permit does not comply with state or federal law.

This Development Agreement finds that the findings set forth in (i) through (iii) above are an appropriate and effective application of the findings (a) through (c) of such Section 4.1.02 in the context of this Project. Nothing in this section shall be deemed to limit the discretion of the Design Review Board, Planning Commission, or City Council pursuant to Section 4.1.01 of the Specific Plan to determine whether or not (a) the project is in conformance with the adopted Design Guidelines for the area; (b) architectural features and general appearance of the proposed development enhance the orderly and harmonious development of the area or the community as a whole; (c) architectural features and complimentary colors are incorporated into the design of all exterior surfaces of the building in order to create an aesthetically pleasing project; (d) particular attention has been given to incorporating signs, including their colors, into the overall design of the entire development in order to achieve uniformity; and (e) vehicular accessways have been designed with landscaping and building variation to eliminate any alley-like appearance.

- 3.1.1.2 <u>Residential Parcel</u>. Notwithstanding any other provision of law, use of and development on the Residential Parcel shall conform to the following requirements:
- (a) Density of development on the Residential Parcel shall not exceed a total of two hundred thirty (230) dwelling units.
- (b) The Agency's expenditure of revenues from the Project earmarked for affordable housing for inclusionary and replacement housing activities will satisfy the Project's affordable housing requirements.
- on the Residential Parcel until such time as substantial construction has been completed on the Ocean Grand Resort to be constructed on the Commercial Parcel pursuant to the requirements of the DDA. For purposes of this subsection only, the term "substantial construction" shall be deemed to mean the pouring of foundations for the main Ocean Grand Resort structure.

3.1.2 Special Use and Development Provisions

- Parcel. The hotels to be developed on the Commercial Parcel (including the restaurants, lounges, and similar accessory uses located within such hotels) shall be permitted to sell alcoholic beverages for on-premises consumption, subject to the Developer's obtaining and maintaining at all times the necessary liquor license(s) from the California Department of Alcohol and Beverage Control, and the City's reasonable review of location, type of use, and other similar land-use considerations and economic factors to assure a continued high-quality Project that is compatible with neighboring residential and commercial uses.
- 3.1.2.2 <u>Dancing and Live Entertainment on the Commercial Parcel</u>. The hotels to be developed on the Commercial Parcel (including the restaurants, lounges, and similar accessory uses located with such hotels) shall be permitted to provide live entertainment and dancing in accordance with the City's ordinances, regulations, rules and official policies in force as of the Effective Date and the City's reasonable review of location, type of use, and other similar factors

to assure a continued high-quality Project that is compatible with neighboring residential and commercial uses.

3.1.2.3 Parking Requirements for the Commercial Parcel.

- The Parties agree that parking for the development on the (a) Hilton Parcel has been determined as required by the Original Development Agreement and will have access to an additional 150 spaces in conjunction with an interim use on the Third Hotel Portion of the Commercial Parcel. Parking for the development on the Ocean Grand Resort Portion of the Commercial Parcel (including guest rooms, lounges, meeting rooms, ball rooms, and guestserving retail uses) shall be as set forth in the Project Approvals. Parking for the development on the Third Hotel Portion of the Commercial Parcel (including guest rooms, lounges, meeting rooms, ball rooms, and guest-serving retail uses) shall be determined on the basis of the City's parking requirement for hotels of 1.1 parking spaces per guest room, subject to substantiation of the sufficiency of that standard for the specific development on the Third Hotel Portion by a parking demand analysis for that development. If such standard is not substantiated as sufficient for that development, the parking requirement for the Third Hotel Portion may be modified as necessary to provide for the development on that Portion. The Third Hotel Portion shall also include an additional 97 parking spaces to meet peak demands for the Hilton Parcel, based upon the 1998 Waterfront Grand Resort Transportation and Circulation Analysis prepared by LSA Associates, Inc., provided such number may be reduced at the time the Third Hotel Portion is developed pursuant to an updated parking demand analysis of the Hilton Parcel.
- (b) Resolution of design issues on the Commercial Parcel resulting from parking spaces being less than three (3) feet from columns and walls may be processed through special permits rather than through the variance process.
- (c) Parking for the Project shall be provided on the Property and shall not be satisfied by providing additional parking along the beach side of Pacific Coast Highway. In addition, City and Developer agree that any loss of parking on the north side of Pacific Coast Highway caused by the Project has been accommodated through the Project Approvals.
- (d) The Parties agree that any parking loss on the beach side of Pacific Coast Highway which may result from construction of any pedestrian overpass by the Developer has been accounted for by the City in its proposed South Beach Improvement Project. Pending completion of that project by the City, Developer shall provide any parking lost due to construction of a pedestrian overpass on the Third Hotel Portion of the Commercial Parcel. This obligation shall terminate upon completion of the South Beach Improvement Project or five (5) years from the Adoption Date, whichever occurs first.
- 3.1.2.4 Oil Wells. As a part of the initial site preparation on the Commercial Parcel, the Developer shall reabandon any existing abandoned oil wells on such Parcel to the then-current standards of the State of California Division of Oil and Gas. As a part of the initial site preparation for the Residential Parcel, the Developer shall reabandon any existing abandoned oil wells on such Parcel to the then-current standards of the State of California Division of Oil and Gas.

3.1.2.5 Continuing Maintenance Obligation. Upon completion of the public improvements required to be constructed by Developer in accordance with this Agreement to the reasonable satisfaction of the City, the City shall accept such improvements. Thereafter, the City shall maintain such improvements at no expense to the Developer, and the Developer shall have no responsibility therefor, except that the Developer shall maintain at its sole cost and expense: (i) the sidewalk and landscaping behind the curb; and (ii) the pedestrian overcrossing(s) of Pacific Coast Highway and Twin Dolphin Drive; and (iii) the median island landscaping in Pacific View Avenue and in Twin Dolphin Drive. A landscape license agreement in the same form as the existing license agreement executed in connection with the Hilton Parcel shall be entered into between the City and Developer for Developer to maintain all landscaping and irrigation within the public parkways and median islands within the Site (except for medians within Pacific Coast Highway and Beach Boulevard), and the two agreements shall be coordinated so that they may be administered as if they were one agreement.

3.1.2.6 <u>Signage</u>. The Developer shall submit for approval by the Design Review Board and shall implement a Planned Signage Program with respect to all signage on the Commercial Parcel prior to installation of any signs on that Parcel. The Developer shall submit for approval by the Design Review Board and shall implement a Planned Signage Program with respect to all signage on the Residential Parcel prior to installation of any signs on that Parcel.

3.1.2.7 Fire Access Lane. Nothing in this Agreement shall be deemed to alter or modify the Fire Lane Access Easement Agreement recorded against the Site on September 1, 1995, as Instrument No. 95-0384750 in the Official Records of the Orange County Recorder's Office which applies to a portion of the Third Hotel Portion of the Commercial Parcel.

3.1.3 Vesting of Rights

Agreement, Developer shall have the right to develop and use the Property in accordance with the land uses, densities and intensities, the zoning, and the development standards, conditions and improvement requirements specified in the Applicable Rules, as established by this Agreement. Notwithstanding the foregoing, the Parties understand and agree that modifications to the Applicable Rules are required to effectuate development standards to govern development of the Residential Parcel to the density permitted by this Agreement, and the City reserves the right to rescind, amend, or otherwise modify any Applicable Rule pertaining to the Residential Parcel, or to implement any new ordinance, resolution, rule, regulation, requirement or official policy pertaining to the Residential Parcel whether or not inconsistent with any Applicable Rule, which the City deems necessary to accomplish that residential development in a manner beneficial to the public health, safety or welfare.

3.1.3.2 <u>Certain Changes Prohibited Without Consent of Developer</u>. Except as otherwise provided in this Agreement, during the Term of this Agreement, the City shall not, as to the Property, without the prior written consent of Developer: (a) change the Applicable Rules or any one thereof so as to prevent or adversely affect development, construction or use of the Property in accordance with such Rules; or (b) apply to the Property any new or amended ordinance,

resolution, rule, regulation, requirement or official policy that is inconsistent with any Applicable Rule so as to prevent or adversely affect development, construction or use of the Property in accordance with such Rules; or (c) apply to the Property any new or amended ordinance, resolution, rule, regulation, requirement or official policy that requires additional discretionary review or approval for any proposed land use.

- 3.1.3.3 <u>Rights are Vested</u>. Unless amended or terminated in the manner specified in this Agreement (and subject to the provisions of this Agreement), Developer shall have the rights and benefits afforded by this Agreement and this Agreement shall be enforceable by Developer and the City notwithstanding any growth control measure or any development moratorium adopted after the Effective Date, or any change in the applicable general or specific plans, zoning, or subdivision regulations which alter or amend the Applicable Rules, or the adoption of any new or amended ordinance, resolution, rule, regulation, requirement or official policy that is inconsistent with any Applicable Rule so as to prevent or materially adversely affect development or use of the Property in accordance with the Applicable Rules.
- 3.1.3.4 <u>Preemption</u>. Notwithstanding any provision to the contrary contained herein, the City expressly reserves the right to modify any of the Applicable Rules to the extent necessary to comply with applicable federal or state laws, codes or regulations which preempt local jurisdiction including, by way of example, and without limiting the generality of the foregoing, the California Environmental Quality Act, all building, plumbing, mechanical, and similar codes, and any safety regulations.
- Utility Service Limitations. Notwithstanding any provision to the contrary contained herein, the City expressly reserves the right to apply to the Property any development moratorium, limitation on the delivery of City-provided utility services, or other generally applicable emergency rule, regulation, law or ordinance affecting land use which (a) is based on genuine health and safety concerns (other than general growth management issues); (b) arises out of a documented emergency situation, as declared by the President of the United States, the Governor of California, or the Mayor or City Council of the City of Huntington Beach; and (c) based upon its terms or its effect as applied, does not apply exclusively or primarily to the Property.
- 3.1.3.6 <u>Reservation of Right to Apply Other Regulatory Measures.</u> The provisions of this Agreement shall not be deemed to affect the right of the City to apply to the Property and to all persons utilizing the Property any generally applicable rule, regulation, law or ordinance which is not inconsistent with the express terms of this Agreement and which does not directly affect the land use or development of the Property.
- 3.1.3.7 Other Governmental Approvals. The Parties contemplate that development of the Project pursuant to this Agreement shall be subject to the approval of other governmental agencies for those specific portions of such development within the jurisdiction of such agencies. Developer shall be responsible for all costs and expenses pertaining to such approvals, except as otherwise set forth in the DDA. The City agrees to assist the Developer, at no cost or expense to the City (other than overhead and employee staff time), in securing any and all permits which may be required by any other governmental agency. Such assistance may include the

City acting as the applicant for an approval, provided no cost or expense to the City shall result from such application except as set forth herein. To the extent that the City is responsible for processing any such approval, the City's processing of such approval shall be subject to this Agreement.

3.1.4 Subsequent Discretionary Approvals

- 3.1.4.1 <u>Subsequent Entitlement Approval Required</u>. Developer shall be required to obtain the approval by the City of any and all Subsequent Permits. Applications for Subsequent Permits shall be processed by the City in accordance with the procedures existing on the date the application for a Subsequent Permit is submitted and the standards established by Section 3.1.3 of this Agreement.
- 3.1.4.2 <u>Responsibility of Developer</u>. The obtaining of necessary Subsequent Permits for the development of the Property, and complying with the conditions thereof, shall be the sole responsibility of Developer.
- 3.1.4.3 <u>Responsibility for Paying Fees</u>. Developer shall be responsible for paying when due all Development Fees in connection with the approval of any Subsequent Permit at the rates established by this Agreement.
- 3.1.4.4 <u>Standard of Review</u>. The City shall have the right to disapprove or condition approval of a Subsequent Permit in accordance with the standards applicable to the portion of the Property for which the Subsequent Permit is sought, subject to the vested rights of Developer as set forth in this Agreement. The City shall not disapprove a Subsequent Permit for reasons inconsistent with the provisions of this Agreement, including the Project Approvals referred to herein. Any disapproval by the City shall be in writing and shall state the reasons therefor and the action(s) which Developer is required to take to obtain the City's approval.
- 3.1.4.5 Reservation of Right to Impose Certain Conditions. In connection with the approval of any Subsequent Permit, the City shall have the right: (a) to impose reasonable conditions on development that are not inconsistent with the terms of this Agreement; and (b) to conduct any additional environmental review required by State law and to impose reasonable conditions to mitigate environmental impacts identified in such additional environmental review.
- 3.1.4.6 <u>Construction to be Consistent with City Approvals.</u> All improvements on the Property shall be constructed in accordance with the approved Subsequent Permits. Upon the Developer's request and payment of all City costs therefor, the City may retain a contract plan checker or checkers to enable the City to expedite the processing and review of final building plans and construction drawings, and/or the inspection of construction on the Property.
- 3.1.4.7 <u>Revisions Requested by Developer</u>. If Developer desires to make any change in a Project Approval or Subsequent Permit after its approval, such proposed change shall be submitted to the City for approval in accordance with this Section 3.1.4.

3.1.5 Assignment by Developer

- 3.1.5.1 <u>City Approval of Assignment Required</u>. Subject to the approval of the City Administrator or his/her designee as provided below, upon written notice submitted to the City not less than thirty (30) days prior to each transfer or assignment, the rights and obligations of Developer as to the Property under this Agreement may be transferred or assigned from time to time during the Term of this Agreement, provided that such transfer or assignment is in accord with an assignment approved by the Agency under the DDA.
- 3.1.5.2 <u>Submittal of Transfer Documents</u>. Concurrently with the submission of the notice of proposed transfer or assignment of the Property or any portion thereof by Developer under the DDA, Developer shall submit to the City: (a) a request for concurrent assignment of this Agreement; and (b) a fully executed instrument, in form and content reasonably acceptable to the City, pursuant to which the transferee expressly assumes and agrees for the benefit of the City to perform the obligations of Developer under this Agreement applicable to the Property or portion thereof being conveyed; and (c) an acknowledgment, in form and content reasonably approved by the City and executed by the transferee, pursuant to which the transferee acknowledges that the transferee has read and understands this Agreement and all of the provisions hereof.
- 3.1.5.3 <u>Approval of Transfer</u>. Upon approval by the Agency of the transfer of rights under the DDA, the City Administrator or his/her designee shall approve the proposed transfer under this Agreement. If a person or entity transfers or assigns its entire interest in the Property or any portion thereof, such person or entity shall be released from its obligations under this Agreement as to such portion of the Property upon compliance with the provisions of this Section 3.1.5.
- 3.1.5.4 Obligations in Addition to DDA and Other Agreements. The provisions of this Section 3.1.5 shall be in addition to any obligation of Developer under the DDA or any other lease, license, deed, or other agreement between the Developer and the City or the Developer and the Agency relating to the transfer of any interest in the Property, and nothing in this Section shall be deemed to waive or affect any obligation of Developer established therein.

3.2 <u>Public Improvements and Utilities</u>

3.2.1 Installation Obligations

- 3.2.1.1 The Parties hereby agree that the obligations to install public improvements and utilities necessary for the development of the Commercial Parcel shall be as set forth in the Project Approvals and the DDA, except as set forth in Section 3.1.4.5. Notwithstanding the foregoing, the City shall not issue a certificate of occupancy for the Ocean Grand Resort Hotel until such time as the Developer has completed substantial construction required for Pacific View Avenue and Twin Dolphin Drive to be available for public use as determined by the City Engineer.
- 3.2.1.2 The obligations of the Parties as to public improvements and utilities necessary for the development of the Residential Parcel are not established by this Agreement but

shall be determined in connection with the discretionary review processes to be conducted therefor.

3.2.2 <u>Pedestrian Overcrossings.</u> At the Developer's option, Developer shall have the right to construct and install a second pedestrian overcrossing of Pacific Coast Highway in the approximate location shown on the Commercial Site Master Plan for the Project, subject to Developer's obtaining the approval of the California Department of Transportation and further subject to the Developer obtaining from the City any Subsequent Permit required under the Applicable Rules. The City acknowledges that the Developer's right to construct the pedestrian overcrossings was established in the Original Development Agreement which pre-dated Measure C, and consequently, that construction of the pedestrian overcrossings is not subject to Measure C.

3.2.3 EIR Mitigation Measures

- 3.2.3.1 The Parties hereby agree that the obligations to implement environmental mitigation measures for development on the Commercial Parcel shall be as set forth in the Project Approvals and the DDA.
- 3.2.3.2 The obligations of the Parties to implement environmental mitigation measures for the development of the Residential Parcel shall be consistent with the EIR.
- 3.2.3.3 The Parties understand and agree that, if and to the extent required by the California Environmental Quality Act or other applicable law, the City may, at the time of Subsequent Permit review, impose additional measures to mitigate environmental impacts identified in a subsequent or supplemental environmental impact report or negative declaration prepared in connection with a proposed Subsequent Permit.

3.2.4 Dedications and Reservations

- 3.2.4.1 The portions of the Commercial Parcel to be reserved or dedicated for public purposes pursuant to this Agreement, if any, shall be as set forth in the Project Approvals and the DDA, except as set forth in Section 3.1.4.5. The City shall exercise reasonable best efforts to have the California Department of Transportation vacate an approximately twenty (20) foot wide highway easement along the west side of Beach Boulevard and the intersection of Pacific Coast Highway on a schedule that will not delay Developer's development of the hotel on the Ocean Grand Resort Portion of the Commercial Parcel. Upon completion of such vacation, such property shall be subject to the provisions of this Agreement and the DDA.
- 3.2.4.2 The portions of the Residential Parcel to be reserved or dedicated for public purposes, if any, are not established by this Agreement but shall be determined in connection with the discretionary review processes to be conducted therefor.
- 3.2.4.3 The City shall take such actions as may be necessary to vacate any prior dedications, offers to dedicate and grants of easements that are no longer necessary for the development of the Property in accordance with this Agreement.

- 3.2.4.4 The Parties understand and agree that minor changes, modifications or adjustments to the dedications described in the Project Approvals and the DDA and additional minor dedications may be required as the result of Subsequent Permit review for the Property and shall not constitute an amendment to this Agreement, provided any such changes are consistent with the Applicable Rules.
- 3.2.5 <u>Improvement Security/Insurance</u>. As a condition of approving a final subdivision map or any future subdivision for all or a portion of the Property, the City may require the furnishing of appropriate and reasonable improvement agreements and security pursuant to any applicable City ordinance, resolution or regulation or California Government Code Sections 66462 and 66499, et seq. Nothing in this Agreement shall be construed as altering or relieving Developer of any obligation imposed pursuant to Government Code Section 66462. In the event public financing is used to fund construction of improvements, the City may also require evidence of compliance with labor standards and insurance required as a standard condition under federal, state or local law at the time of City action on any necessary development permits or any other entitlements for the use and development of the Property pursuant to this Agreement. If the improvements are financed by an assessment district or community facilities district, the improvement security may be released in accordance with Government Code Section 66495.5 or similar provisions.
- 3.2.6 <u>Further Land Use Actions</u>. The Parties acknowledge that subdivisions, boundary line adjustments or similar modifications to the Property may be necessary in the future and are contemplated by this Agreement provided any such changes are consistent with the Applicable Rules, and such actions shall not constitute an amendment to this Agreement.
- 3.2.7 <u>Utilities</u>. City represents that all City utilities (other than water service for fire flow protection along the Pacific Coast Highway frontage of the Property but otherwise including water, sanitary sewer, and storm drainage) are available at the perimeter of the Property and that the capacities of such utilities are adequate to service the construction and opening for business of the improvements contemplated for the Property, provided that the Project is developed in accordance with this Agreement.

3.3 Development Fees

- 3.3.1 <u>General Rule</u>. Subject to all applicable laws then in effect, City shall have the right to charge and apply to the Property all Development Fees which are in force and effect on a uniform city-wide basis at the time such fees are due, subject only to the following:
- (a) Developer shall not be responsible for paying any new or increased fee or charge to provide or contribute to improvements or services not required to be provided or contributed to by the Developer under the City's ordinances, regulations, rules, and official policies in force as of the Effective Date; and

- (b) The amount of any increased fee or charge after the Effective Date shall not exceed the increase in the reasonable cost of providing the improvement or service for which the fee or charge is imposed.
- 3.3.2 Park Fees. Notwithstanding the provisions of Section 3.3.1, the Parties acknowledge and agree that park standards for the Site were established by Section 1.I of the Original Development Agreement as in place on the Effective Date. The Parties therefore agree that the park acquisition and development fee applicable to the Property shall be that established by Resolution No. 6226 adopted by the City Council on November 19, 1990.

3.4 <u>Mortgagee Protection</u>

- 3.4.1 Encumbrance Permitted. The Parties hereto agree that this Agreement shall not prevent or limit the right of Developer, at its sole discretion, to encumber the Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device (collectively "Mortgage") securing financing of the purchase, development or operation of the Property or any portion thereof (including any combination of purchase financing, construction financing, bridge loans, take-out and permanent financing), as provided in this Agreement; provided, however, that any such Mortgage shall be subordinate to this Agreement, and provided further that if any portion of the Property to be dedicated or transferred to the City pursuant to this Agreement shall be subject to any Mortgage, such Mortgage shall be reconveyed prior to the dedication or transfer. The provisions of this Section shall not be deemed to modify or waive any obligation of Developer relating to encumbrances set forth in the DDA.
- 3.4.2 <u>Requests for Interpretation</u>. The City acknowledges that prospective lenders providing such financing may request certain interpretations and modifications of this Agreement, and agrees upon request, from time to time, to meet with Developer and representatives of such lenders to discuss in good faith any such request for interpretation or modification. City shall not unreasonably withhold its consent to any such requested interpretation or modification which the City determines is consistent with the intent and purposes of this Agreement and protects the interests of City under this Agreement. Any Mortgagee shall be entitled to the following rights and privileges:
- (a) Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any Mortgage made in good faith and for value.
- (b) Any Mortgagee which has submitted a request in writing to the City in the manner specified herein for giving notices shall be entitled to receive written notification from City of any default of Developer in the performance of Developer's obligations under this Agreement.
- (c) If City timely receives a request from a Mortgagee requesting a copy of any notice of default given to Developer under the term of this Agreement, City shall provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to

Developer. The Mortgagee shall have the right, but not the obligation, to cure the default during the remaining cure period allowed Developer under this Agreement.

(d) Any Mortgagee who comes into possession of the Property or any part thereof pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the Property or part thereof subject to the terms of this Agreement; provided, however, that such Mortgagee shall not be liable for any defaults or monetary obligations of Developer arising prior to acquisition of title by such Mortgagee; and provided further in no event shall any such Mortgagee or its successors or assigns be entitled to a building permit or occupancy certificate until all fees and other monetary obligations due under this Agreement have been paid to the City and all otherwise applicable conditions to such permit or certificate have been satisfied.

3.5 Provisions Applicable to the Hilton Parcel

The Parties agree that the provisions of the Original Development Agreement applicable to the Hilton Parcel have been satisfied, and that all provisions of the Original Development Agreement were terminated as to such Parcel upon issuance of the Certificate of Completion for said Parcel except as set forth therein. In accordance with the foregoing, the following provisions shall be the sole provisions of this Agreement applicable to the Hilton Parcel.

- (a) Waterfront (and permitted successors and assigns) shall be entitled to use and occupy the Hilton Parcel in accordance with the Master Site Plan, conditional use permit, coastal development permit and tentative tract map approved for that Parcel prior to or concurrently with the Effective Date, and the development plans and permits secured for such Parcel after the Effective Date but prior to the date of this Agreement.
- (b) The hotel on the Hilton Parcel (including the restaurants, lounges, and similar accessory uses located within such hotel) shall be permitted to sell alcoholic beverages for on-premises consumption subject to Waterfront's obtaining the necessary liquor license(s) from the California Department of Alcohol and Beverage Control.
- (c) The hotel on the Hilton Parcel (including the restaurants, lounges, and similar accessory uses located within such hotel) shall be permitted to provide live entertainment and dancing in accordance with the City's ordinances, regulations, rules and official policies in force as of the Effective Date.

GENERAL PROVISIONS

4.1 Recordation

As provided in Section 65868.5 of the Development Agreement Act, the City shall cause a copy of this Agreement to be recorded with the County Recorder within ten (10) days following the Adoption Date. Any recording costs shall be paid by Developer.

4.2 Term

4.2.1 <u>Commencement of Term</u>. This Agreement shall commence upon the Adoption Date.

4,2,2 Termination of Agreement.

4.2.2.1 The provisions of this Agreement applicable to the Hilton Parcel shall terminate fifty (50) years from the Adoption Date.

4.2.2.2 Except as set forth in Sections 4.2.3, 4.2.4, or 4.2.5, the provisions of this Agreement shall terminate as to the Ocean Grand Resort Portion of the Commercial Parcel, the Third Hotel Portion of the Commercial Parcel, and the Residential Parcel on the date(s) on which the Agency issues its Certificate(s) of Completion for the improvements to be constructed on and with respect to said segments of the Property under the DDA.

4.2.3 Continuation of Specific Provisions.

- 4.2.3.1 Notwithstanding the termination of any other provisions of this Agreement as to a segment of the Property pursuant to Section 4.2.2.2, those provisions of Section 3.1 of this Agreement which provide for the use of the Commercial Parcel for hotel and accessory uses shall remain in effect as to such segment for a period of fifty (50) years from the Adoption Date.
- 4.2.3.2 Notwithstanding the termination of any other provision within this Agreement or of this Agreement in its entirety, the terms of Section 4.3.4 of this Agreement shall survive this Agreement and continue in full force and effect for the term of the respective leases for each of the hotels existing or to be constructed at the Site.
- 4.2.4 <u>Termination for Failure to Obtain Certificate of Completion</u>. If a Certificate of Completion is not issued for a segment of the Property within the time periods specified in this section 4.2.4, this Agreement shall terminate as to such segment of the Property: ten (10) years from the Adoption Date for the Ocean Grand Resort Portion of the Commercial Parcel; ten (10) years from the Adoption Date for the Residential Parcel; and fifteen (15) years from the Adoption Date for the Third Hotel Portion of the Commercial Parcel. Upon termination of this Agreement as to a segment of the Property for failure to obtain a Certificate of Completion within the time specified in this section for such segment, all rights and obligations of the Parties under this Agreement as to such segment of the Property shall terminate.
- 4.2.5 <u>Termination for Default</u>. Subject to the notice and cure provisions set forth in Section 4.5.2, the City shall have the right to terminate this Agreement as to the Property and the rights of Developer hereunder in the event (i) Developer defaults and fails to cure such default within the respective curative period; or (ii) Developer fails to complete substantial construction on the Ocean Grand Resort within the time as set forth in Section 3.1.1.2 (d) and as defined therein; or (iii) Developer fails to diligently complete construction on the Ocean Grand Resort once such construction is commenced.

Subsequent Permits. Pursuant to California Government Code Section 66452.6(a), the term of Tentative Tract Map No. 15535 shall automatically be extended until the earlier of (i) the date on which the final map or all of the partial final maps for said Tract are recorded, or (ii) as to any portion of the Tract for which a final map has not been recorded, the termination of this Agreement as to all segments of the Property pursuant to any provision of this Section 4.2. In addition, to the maximum extent permitted by law, the term of each of the Project Approvals and Subsequent Permits automatically shall be extended until the earlier of (i) the date on which such Permit(s) or Approval(s) have been fully performed, or (ii) as to any Permit or Approval which has not been fully performed, the date on which this Agreement terminates as to all segments of the Property pursuant to this Section 4.2.

4.3 Cooperation and Implementation

- 4.3.1 <u>Implementation</u>. City represents that it will cooperate with Developer to the fullest extent reasonable and feasible to implement this Agreement. Upon satisfactory completion by Developer of all of its preliminary actions and payments of appropriate fees, City shall promptly commence and diligently proceed to complete all steps necessary for the implementation of this Agreement in accordance with the terms of this Agreement, including, but not limited to, the processing and checking of any and all Subsequent Permits, agreements, covenants and related matters required under the conditions of this Agreement, building plans and specifications, and any other plans necessary for the development of the Property, requests for inspections and certificates of occupancy filed by or on behalf of Developer. Developer shall, in a timely manner, provide City with all documents, plans and other information necessary for City to carry out its obligations hereunder.
- 4.3.2 <u>Relocation of the Beach Maintenance Facility</u>. Developer and the City shall mutually cause the City's Beach Maintenance Facility to be relocated and in operation prior to the demolition of the existing Beach Maintenance Facility. The City will cause the Beach Maintenance Facility to be relocated off of the Property as expeditiously as feasible so as not to interfere with Developer's schedule of development once grading permits have been issued for the Ocean Grand Resort Portion of the Commercial Parcel. Upon completion of such relocation, Developer shall have the responsibility to demolish and clear the City's existing Beach Maintenance Facility from the Property.
- 4.3.3 <u>Cooperation</u>. In addition to any other requirements of this Agreement, to help assure a continued high-quality Project compatible with neighboring residential, commercial and recreation uses, the City agrees to make its best effort to undertake the actions set forth in this Section 4.3.3, provided such actions shall not result in any cost or expense to the City (other than overhead and employee staff time).
- 4.3.3.1 The City agrees to work with Developer to obtain the approvals necessary to construct the pedestrian overpass, including, but not limited to, complying with the City's obligations set forth in Section 3.1.3.7.

- 4.3.3.2 The City shall cooperate with respect to an extension of Beach Concession 5 at 21351 Pacific Coast Highway, also known as the Beach Cabana, so as to replace the existing month-to-month agreement between the City and Developer with an agreement with a five (5) year initial term, three (3) additional five (5) year options, and an additional five (5) year option for each Seventy Five Thousand Dollars (\$75,000.00) in capital improvements installed by Developer at such site, not to exceed a maximum term of forty (40) years.
- 4.3.3.3 The City hereby grants Developer a right of first refusal to lease or occupy Beach Concession 6 at 21529 Pacific Coast Highway, also known as the Beach Hut, upon expiration of the existing agreement for such site, provided that any such lease or occupancy right shall be on standard City terms and subject to compliance with any applicable City procedure for the award of concessions.
- 4.3.3.4 The City will cooperate with Developer in processing a proposal to form a community facilities district ("CFD") and issue CFD bonds to assist in the public financing for the Project, pursuant to the terms of the DDA.

4.3,4 Restriction on Beach Use

- (a) City is one of the owners in fee of that certain real property located in the City of Huntington Beach, California, and bounded on the north by the right-of-way line for Pacific Coast Highway, on the east by Huntington Beach State Park, on the south by the mean high tide line of the Pacific Ocean, and on the west by an imaginary line extending southward from the westerly side of the intersection of Pacific Coast Highway and Huntington Street (hereinafter referred to as the "City Beach Property"). The City Beach Property is more particularly described in Exhibit "G" attached hereto and incorporated herein by this reference.
- (b) Developer will be constructing, operating, and maintaining on the Site ocean-oriented, visitor-serving commercial facilities which are designed to take full advantage of the existing ocean views across Pacific Coast Highway. Developer desires to obtain assurances from City that such views will not be obstructed during the term of the respective leases for each of the hotels existing or to be constructed at the Site.
- (c) Pursuant to the California Coastal Act of 1976, as amended (Public Resources Code Section 30000, et seq.), City has prepared and the California Coastal Commission has certified a Local Coastal Plan (hereinafter the "LCP") as part of the Local Coastal Program. The LCP requires "Preservation of as much beach sand area as possible in order to accommodate future levels of beach attendance." (LCP, Section 2.3) The LCP further establishes as a policy the "increased numbers of hotel/motel rooms and restaurants in the Coastal Zone." (Id., at Section 3.3.) The LCP designates the entire City Beach Property for recreational use in which the "principal permitted uses . . . are limited to open sand areas, beach related recreational activities, and under certain conditions, parking lots, concessions and camping." (Id., at Figure 9.11 and Section 9.2.5.) The LCP further "prohibits development of permanent above-ground structures on the beach sand area" on the City Beach Property with the exception of lifeguard towers and other public safety facilities, public restrooms and beach concession stands when located immediately adjacent to

paved parking or access areas, fire rings, volleyball nets, bike trails, bike support facilities, and handicapped access. Finally, the LCP "prohibits expansion of parking facilities that would result in the loss of recreational sand area . . ." (*Id.*, at Section 9.5.1.)

- (d) The entire City Beach Property is located in District Eleven of the Specific Plan, which is designated for beach-related open space and recreational uses. District Eleven "is intended to preserve and protect the sandy beach area within the (Downtown) Specific Plan boundaries while allowing parking and auxiliary convenience uses." (Specific Plan, Section 4.13) Pursuant to the Specific Plan, the only uses and structures permitted on the City Beach Property are access facilities, basketball courts, beach concession stands at intervals no closer than one thousand (1,000) feet and limited to two thousand five hundred (2,500) square feet per building, bicycle and jogging trails and support facilities, fire rings, lifeguard towers and other structures necessary for health or safety, paddleboard courts, surface parking lots or public transit facilities that will not result in the loss of recreational sand areas, provided that any tiered parking shall be designed so that the top of the structures including walls, etc., are located a minimum of one foot below the maximum height of the adjacent bluff, park offices, playground equipment, public restrooms, public dressing rooms or showers, shoreline construction that may alter natural shoreline process (such as groins, cliff retaining walls, pipelines, and outfalls that are designed to eliminate adverse impacts on local shoreline sand supply), and volleyball net supports.
- (e) City and Developer desire to ensure the long-term maintenance of the City Beach Property for beach-related uses consistent with the LCP and Specific Plan, to promote the development and operation of high-quality visitor-serving commercial uses on the Site, and to provide a long-term source of revenue to the City to enhance the City's implementation of the LCP and Specific Plan or for other public purposes as determined by the City in its sole discretion.
- or to be constructed at the Site, the City covenants not to construct or maintain or permit to be constructed or maintained any improvements or structures on the City Beach Property excepting only the following: access facilities, basketball courts, beach concession stands at intervals no closer than one thousand (1,000) feet and limited to two thousand five hundred (2,500) square feet per building, bicycle and jogging trails and support facilities, fire rings, lifeguard towers and other structures necessary for health or safety, paddleboard courts, parking lots and public transit facilities that will result in the loss of recreational sand area and that will not extend above the existing grade of the adjacent stretch of Pacific Coast Highway, park offices, playground equipment, public restrooms, public dressing rooms or showers, shoreline construction that may alter natural shoreline process (such as groins, cliff retaining walls, pipelines, and outfalls that are designed to eliminate adverse impacts on local shoreline sand supply), volleyball net supports, and pedestrian overcrossing(s) of Pacific Coast Highway.
- (g) During the term of the respective leases for each of the hotels existing or to be constructed at the Site, the City covenants to maintain and operate at the City Beach Property the beach parking accessible to the public in substantially the same amount of available spaces as exists as of the Adoption Date.

- (i) During the term of the respective leases for each of the hotels existing or to be constructed at the Site, the City covenants not to allow the following uses on the City Beach Property without first giving sixty (60) days prior written notice to the Hotel Operator(s) of its intent to process a permit to allow:
- (i) Events which generate noise, such as, but not limited to, racing or operation of cars, motorcycles, go-karts, boats, personal watercraft, recreational vehicles or other similar equipment, use of amplified music, or use of a public address systems (except when used in conjunction with normal police or marine safety functions);
- (ii) Sale of food or beverages, or rental or sale of any products or services, other than those sales or rentals conducted on the premises of the beach concession stands within the City Beach Property;
- (iii) Events, meetings, gatherings, competitions, tournaments, or contests where the observation of same is not free and open to the general public or which does not primarily involve entertainment, sports or recreational activities;
- (iv) Events which in any way restrict the access to or use of the pedestrian overcrossing(s) to be constructed over Pacific Coast Highway at the Site and direct access through the parking lot to the beach from such pedestrian overcrossing(s);
- (v) Events which together with staging, storage, support services and anticipated parking generated by such events, occupy more than thirty three percent (33%) of the City Beach Property;
- (vi) Events which occur in excess of five (5) consecutive days in duration or in excess of a total of thirty (30) days per year;
- (vii) Tents, balloons, flags, bleachers, seating, scaffolding or other temporary structures which wholly or partially impede the view of the ocean or sand from any of the hotels or their courtyards;
- (viii) Sale, or exhibition for the purpose of sale, of cars, motorcycles, go-karts, boats, personal watercraft, recreational vehicles or other similar equipment;
- (ix) Events and/or structures that would obstruct the view of the ocean from the hotels or their courtyards, or would materially alter the local beach environment.
- (i) The City has established a procedure to approve all specific events on the beach and will provide adequate notice to the Hotel Operator(s) and to permit the Hotel Operators(s) to consult with the City's Specific Events Committee not less than sixty (60) days prior to the Committee's consideration of approval of a permit for potential uses or activities on the City Beach Property. The Hotel Operator(s) may appeal any permit approved by the Specific Events Committee to the City Council by filing the appeal in writing within ten (10) days after the approval

of the permit by the Specific Events Committee. If a specific event permit is appealed, the Specific Events Committee shall not issue the permit until such time as the City Council has acted on the appeal.

4.4 Legal Action

- a third party (not a Party to this Agreement) or any governmental entity or official (other than the City or an official of the City), challenging the validity of any provision of this Agreement, the Project Approvals, any Subsequent Permit, or any City action relating thereto (collectively, the "Approvals"), the Parties hereby agree to cooperate in defending said action; provided, however, Developer shall indemnify, defend (by counsel reasonably acceptable to City), and hold harmless City from all litigation expenses, including reasonable attorneys' fees and costs, arising out of any legal action instituted by such third party (not a Party to this Agreement), or other governmental entity or official (other than City or an official of the City) challenging any of the Approvals. City shall promptly notify Developer of any such action and City shall cooperate in the defense thereof.
- 4.4.2 <u>Effect on Development</u>. The filing of any lawsuit(s) by a third party (not a Party to this Agreement) against the City relating to this Agreement or to other development issues affecting the Project shall not delay or stop the processing or issuance of any Permit or other authorization necessary for development of the Project, unless such delay is legally required.

4.5 Enforceability

4.5.1 <u>Default.</u> Subject to Section 4.5.2, failure by any Party to perform any term or provision of this Agreement required to be performed by such Party shall constitute an event of default ("Event of Default"). For purposes of this Agreement, a Party claiming another Party is in default shall be referred to as the "Complaining Party," and the Party alleged to be in default shall be referred to as the "Party in Default." A Complaining Party shall not exercise any of its remedies as the result of such Event of Default unless such Complaining Party first gives notice to the Party in Default as provided in Section 4.5.2, and the Party in Default fails to cure such Event of Default within the applicable cure period.

4.5.2 Procedure Regarding Defaults.

- 4.5.2.1 <u>Notice Required</u>. The Complaining Party shall give written notice of default to the Party in Default, specifying the default complained of by the Complaining Party. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.
- 4.5.2.2 Right to Cure. The Party in Default shall diligently endeavor to cure, correct or remedy the matter complained of, provided such cure, correction or remedy shall be completed within the applicable time period set forth herein after receipt of written notice (or such additional time as may be deemed by the Complaining Party to be reasonably necessary to correct the matter).

- 4.5.2.3 <u>Delay not a Waiver</u>. Any failures or delays by a Complaining Party in asserting any of its rights and remedies as to any Event of Default shall not operate as a waiver of any Event of Default or of any such rights or remedies. Delays by a Complaining Party in asserting any of its rights and remedies shall not deprive the Complaining Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.
- 4.5.2.4 Time to Cure. If an Event of Default occurs, prior to exercising any remedies, the Complaining Party shall give the Party in Default written notice of such Event of Default. If the Default is reasonably capable of being cured within thirty (30) days, the Party in Default shall have such period to effect a cure prior to exercise of remedies by the Complaining Party. If the nature of the alleged Default is such that it cannot practicably be cured within such 30 day period, the cure shall be deemed to have occurred within such 30 day period if (i) the cure is commenced at the earliest practicable date following receipt of the notice; (ii) the cure is diligently prosecuted to completion at all times thereafter; (iii) at the earliest practicable date (in no event later than 30 days after the curing Party's receipt of the notice), the curing Party provides written notice to the other Party that the cure cannot practicably be completed within such 30 day period; and (iv) the cure is completed at the earliest practicable date. In no event shall the Complaining Party be precluded from exercising remedies if a Default is not cured within one hundred eighty (180) days after the first notice of default is given.
- 4.5.2.5 <u>Termination of Agreement</u>. Subject to the foregoing, if a Party in Default fails to cure an Event of Default in accordance with the foregoing, the Complaining Party, at its option, may terminate this Agreement, and/or institute legal proceedings pursuant to this Agreement.
- 4.5.2.6 <u>Default during Annual Review</u>. Without limitation, evidence of an Event of Default may arise in the course of the regularly scheduled annual review described in Section 4.5.3, below.

4.5.3 Annual Review

4.5.3.1 Responsibilities of the Parties. The Director shall, at least every twelve (12) months during the term of this Agreement, review the extent of good faith substantial compliance by Developer with the terms of this Agreement. Subject to the notice and cure procedure set forth in Section 4.5.2, and the procedure set forth in Section 4.5.3.2, this annual review may result in amendment or termination of this Agreement, provided a default has been established under the terms of this Agreement. Pursuant to Government Code Section 65865.1, as amended, Developer shall have the duty to demonstrate its good faith compliance with the terms of this Agreement at such annual review. The Parties recognize that this Agreement and the documents incorporated herein could be deemed to contain many requirements (i.e., construction standards, landscape standards, etc.) and that evidence of each and every requirement would be a wasteful exercise of the Parties' resources. Accordingly, Developer shall be deemed to have satisfied its duty of demonstration if it presents evidence satisfactory to the City of its good faith and substantial compliance with the major provisions of this Agreement, including information concerning the

numbers, types, densities, heights and sizes of structure completed and of any reservations and dedications to the City. The costs of any actions required of Developer in order to comply with this Agreement, as the result of such annual review or otherwise, shall be the responsibility of Developer.

- 4.5.3.2 <u>Procedure for Annual Review</u>. The annual review shall be conducted in accordance with the provisions of Section 246.14 of the Zoning Ordinance.
- 4.5.3.3 Result of Annual Review. If the City Council determines on the basis of the evidence that the Developer has not complied with the terms and conditions of this Agreement, the City shall have such remedies for default as are set forth in Section 4.5.2. A City Council determination that Developer has not complied with any term or condition of this Agreement shall be a final administrative determination of such matter. Nothing in this Agreement shall be deemed a waiver of Developer's right to challenge judicially a determination of the City Council that the Developer is in default.
- 4.5.3.4 Failure to Conduct Review. Failure of the City to conduct timely a periodic review pursuant to this Section 4.5.3 shall not in any manner invalidate this Agreement, nor shall any such failure in any way diminish, impede, or abrogate the rights and privileges of Developer or the City or the responsibilities or obligations of Developer or the City under this Agreement, nor shall such failure affect or implicate in any manner any term or condition of the DDA.
- 4.5.4 <u>Institution of Legal Action</u>. Subject to notice of default and opportunity to cure under Sections 4.5.1 and 4.5.2, and subject further to the limitation on remedies set forth in Section 4.5.5, in addition to any other rights or remedies, any Party to this Agreement may institute legal action to cure, correct or remedy any default, to enforce any covenants or agreements herein, to enjoin any threatened or attempted violation hereof, or to obtain any other remedies consistent with this Agreement.
- 4.5.5 Remedies. The Parties would not have entered into this Agreement without the limits on damages under this Agreement set forth herein. Moreover, the City would not have entered into this Agreement if Developer had not acknowledged that a reasonable relationship exists between all exactions imposed and all consideration referenced in this Agreement and the impacts of the development of the Project upon the community. Accordingly, the Parties agree that each of the Parties hereto may pursue any remedy at law or equity available for the breach of any provision of this Agreement, subject to the following:
- (a) The City and all persons acting on behalf of the City shall not be liable in damages to Developer, or to any successor in interest, or to any other person. Subject to the reservation of the reserved rights and remedies described in Section 4.5.5(e), Developer covenants not to sue for monetary damages or claim any monetary damages:
- (i) For any breach of this Agreement or for any cause of action which arises out of this Agreement; or

- (ii) For the taking, impairment or restriction of any property right or interest as the result of or arising under or pursuant to this Agreement, but excluding claims based upon applicable obligations of the City acting in its governmental capacity and not as a Party to this Agreement.
- (b) Developer shall not be liable in monetary damages to City, or to any person acting on behalf of City, and City covenants not to sue for damages or claim any monetary damages:
 - (i) For any breach of this Agreement;
- (ii) Provided, however, that City reserves the right to sue for any monetary sums due City for any Development Fee, and any sums payable by Developer to City pursuant to Section 4.4.1 or Section 4.13 which Developer fails to pay, including, without limitation, all litigation costs, including reasonable attorney's fees, incurred as the result of Developer's failure to defend City, its officers, agents, attorneys, employees and representatives which Developer is obligated to defend pursuant to Section 4.4.1 or Section 4.13.
- (c) The Parties acknowledge that, except as provided in Section 4.5.5(b)(ii), above, money damages and remedies at law generally are inadequate and that specific performance or writ of mandate is the exclusive remedy for the enforcement of this Agreement and should be available to all Parties for the following reasons:
- (i) Money damages are unavailable against City, or against Developer except as provided above;
- Due to the size, nature and scope of the development on the Property, (ii)it will not be practical or possible to restore the Property to its preexisting condition once implementation of this Agreement has begun. After such implementation, Developer may be foreclosed from other choices it may have had to utilize the Property and provide for other benefits. Developer has invested significant time and resources and performed extensive planning and processing of such development in agreeing to the terms of this Agreement, and will be investing even more significant time and resources in implementing such development in reliance upon those terms, and it will not be possible to determine the sum of money that would adequately compensate Developer for such efforts. By the same token, City will have invested substantial time and resources and will have permitted irremediable changes to the land and increased demands on the surrounding infrastructure and will have committed, and will continue to commit, to development in reliance upon the commitment to provide infrastructure and related improvements and other exactions to meet the needs of the proposed development and to mitigate its effects on the area and upon City and the public at large, all in reliance upon the terms of this Agreement, and it would not be possible to determine a sum of money which would adequately compensate City for such undertakings. For this reason, the Parties hereto agree that if any Party fails to carry out its obligations under this Agreement, an injured Party shall be entitled to non-damages remedies, including the remedy of specific performance of this Agreement.

- (d) Except for judicial review of non-damages remedies, including the remedy of specific performance of this Agreement or writ of mandate to enforce this Agreement, Developer, for itself and its successors and assigns, hereby releases the City, its officers, agents, attorneys, employees and representatives, from any and all claims, demands, actions, or suits of any kind or nature arising out of any liability, known or unknown, present or future, including, but not limited to, any claim or liability based or asserted pursuant to Article I, Section 19 of the California Constitution, the Fifth Amendment of the United States Constitution, or any other law or ordinance which seeks to impose any liability or damage whatsoever upon the City because it entered into the Original Development Agreement or this Agreement, or because of the terms of the Original Development Agreement or this Agreement.
- (e) Nothing in this Agreement shall be deemed to waive or limit any right or remedy that any Party would otherwise have against any other in the absence of this Agreement.
- 4.5.6 <u>DDA Not Affected</u>. The procedures and remedies set forth in this Section 4.5 shall not be deemed to implicate or affect in any way any provisions in the DDA pertaining to default of that agreement.

4.6 Notices

All notices or other communications required hereunder shall be in writing and shall be personally delivered (including by means of professional messenger service), or sent by registered or certified mail, postage prepaid, return receipt required, or by electronic facsimile transmission followed by delivery of a "hard" copy, and shall be deemed received on the date of receipt thereof. Unless otherwise indicated in writing, such notice shall be sent addressed as follows:

If to the City:

Ray R. Silver
City Administrator
City of Huntington Beach
2000 Main Street
Huntington Beach, California 92648

With a copy to:
Gail Hutton
City Attorney
City of Huntington Beach
2000 Main Street
Huntington Beach, California 92648

If to Developer:

Mayer Financial, Ltd.
c/o The Robert Mayer Corporation
660 Newport Center Drive, Suite 1050
Newport Beach, California 92660
Attn: Robert L. Mayer and Stephen K. Bone

With a copy to:

Jeffrey M. Oderman Rutan and Tucker 611 Anton Boulevard, Suite 1400 Costa Mesa, California 92626

If to Waterfront:

The Waterfront Hotel, LLC c/o The Robert Mayer Corporation 660 Newport Center Drive, Suite 1050 Newport Beach, California 92660 Attn: Robert L. Mayer and Stephen K. Bone

With a copy to:

Jeffrey M. Oderman Rutan and Tucker 611 Anton Boulevard, Suite 1400 Costa Mesa, California 92626

4.7 Termination

4.7.1 <u>Expiration of Term</u>. As to the Site and all of the rights of Developer and Waterfront hereunder, and except as otherwise provided in this Agreement, this Agreement shall be deemed terminated and of no further effect upon the expiration of the Term of this Agreement as set forth in Section 4.2.

4.7.2 Effect of Termination.

4.7.2.1 The Hilton Parcel. Upon the termination of this Agreement as to the Hilton Parcel as set forth in Section 4.2.2.1, neither Waterfront nor City shall have any further right or obligation under this Agreement with respect to the Hilton Parcel except with respect to (i) any obligation to have been performed prior to such termination; or (ii) any default in the performance of the provisions of this Agreement which has occurred prior to such termination; or (iii) any obligations which are specifically set forth as surviving this Agreement.

4.7.2.2 The Property. Upon the termination of this Agreement as to the Property pursuant to Section 4.2.2.2, Section 4.2.4 or Section 4.2.5, neither Developer nor City shall have any further right or obligation under this Agreement with respect to the Property except with respect to (i) any obligation to have been performed prior to such termination; or (ii) any default in the performance of the provisions of this Agreement which has occurred prior to such termination; or (iii) any obligations which are specifically set forth as surviving this Agreement.

4.7.2.3 No Effect on the DDA. Termination of this Agreement shall not affect any rights or obligations established by the DDA except as specifically set forth therein, if any.

4.8 No Third Party Beneficiaries

This Agreement is made and entered into for the sole protection and benefit of the Parties and their successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.

4.9 Time of Essence

Time is of the essence for each provision of this Agreement of which time is an element.

4.10 Modification, Amendment or Extension

Subject to any notice and hearing requirements imposed by law, this Agreement may be modified, amended and/or extended from time to time by mutual written consent of the City and Developer as to the Property or by mutual written consent of the City and Waterfront as to the Hilton Parcel in the same manner as its adoption by ordinance as set forth in Government Code Sections 65867, 65867.5 and 65868 and the Approval Ordinance.

4.11 Operating Memoranda

The provisions of this Agreement require a close degree of cooperation between the City and Developer and development of the Property hereunder may demonstrate that refinements and clarifications are appropriate with respect to the details of performance of the City and Developer. If and when, from time to time, during the term of this Agreement, the City and Developer agree that such clarifications are necessary or appropriate, the City and Developer shall effectuate such clarifications through operating memoranda approved by the City and Developer, which, after execution, shall be attached hereto as addenda and become a part hereof, and may be further clarified from time to time as necessary with future approval by the City and Developer. No such operating memoranda shall constitute an amendment to this Agreement requiring public notice or hearing. The Director, in consultation with the City Attorney, shall be authorized to make the determination on behalf of the City whether a requested clarification may be effectuated pursuant to this Section 4.11 or whether the requested clarification is of such a character to constitute an amendment hereof pursuant to Section 4.10 above. The Director shall be authorized to execute any operating memoranda hereunder on behalf of the City.

4.12 Conflicts of Law

4.12.1 Conflict with State or Federal Laws. In the event that state or federal laws or regulations enacted after the Adoption Date of this Agreement prevent or preclude compliance with one or more provisions of this Agreement or require changes in plans, maps or permits approved by the City which changes render such plans, maps or permit inconsistent with this Agreement, (a) the Party prevented from performance shall provide the other Party with written notice of such state or federal restriction and a statement of the conflict with the provisions of this Agreement, and (b) Developer and the City staff shall, within thirty (30) days, meet and confer in good faith in a reasonable attempt to modify this Agreement, but only to the minimum extent necessary to comply with such federal or state law or regulation. Thereafter, regardless of whether the Parties reach an agreement on the effect of such law or regulation upon this Agreement, the matter shall be scheduled for hearing before the City Council. Ten (10) days' written notice of such hearing shall be given, pursuant to Government Code Section 65854.5. The City Council, at such hearing, shall determine the exact modification or suspension which shall be necessitated by such federal or state law or regulation. Developer, at the hearing, shall have the right to offer oral and written testimony. Any modification or suspension shall be taken by the affirmative vote of not less than a majority of the authorized voting members of the City Council. Any suspension or modification may be subject to judicial review.

4.12.2 <u>Cooperation in Securing Permits</u> The City shall cooperate with Developer in the securing of any permits which may be required as a result of such modifications or suspensions.

4.13 Indemnity

- 4.13.1 <u>Developer to Indemnify</u>. Developer agrees to and shall defend, indemnify and hold harmless the City, and its officers, agents, attorneys, employees and representatives from liability for damage or claims for damage for personal injury including death and claims for property damage which may arise from the acts of Developer or those of its contractors, subcontractors, agents, employees, or other persons acting on its behalf in connection with the Project.
- 4.13.2 <u>Application to Damages</u>. This indemnification and hold-harmless agreement applies to all damages and claims for damages suffered or alleged to have been suffered by reason of the activities and development referred to in this Agreement, regardless of whether or not the City prepared, supplied, or approved plans or specifications, or both, for such activities or development, excepting damages caused by the negligence or willful misconduct of the City.

4.14 Waiver

No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought and referring expressly to this Section. No waiver of any right or remedy in respect of any occurrence or event shall be deemed a waiver of any right or remedy in respect of any other occurrence or event.

4.15 Successors and Assigns

Except as expressly provided to the contrary in this Agreement, the burdens and obligations of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all successors in interest to the Parties to this Agreement and all successors in interest to the Site or any portion thereof or any interest therein, and shall be covenants running with the land.

4.16 Governing State Law

This Agreement shall be construed in accordance with the laws of the State of California.

4.17 Constructive Notice and Acceptance

Every person who now or hereafter owns or acquires any right, title or interest in or to any portion of the Site is and shall be conclusively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Site.

4.18 Statement of Compliance

Within thirty (30) days following any written request, in accordance with the notice provisions of this Agreement, which either Party may make from time to time, the other Party shall execute and deliver to the requesting Party a statement certifying that: (i) this Agreement is unmodified and in full force and effect or, if there have been modifications hereto, that this Agreement is in full force and effect, as modified, and stating the date and nature of such modifications; (ii) there are no current uncured defaults under this Agreement or specifying the dates and nature of any such defaults; and (iii) any other information reasonably requested. The failure to deliver such statement within such time shall be conclusive upon the Party which fails to deliver such statement that this Agreement is in full force and effect without modification except as may be represented by the requesting Party and that there are no uncured defaults in the performance of the requesting Party. Said statement(s) shall be in the form reasonably satisfactory to the City, Developer, Waterfront, and to any purchaser, lender, title company, governmental agency, or other person reasonably requesting such statement(s) in connection with sale, use, development, construction, financing or marketing of the Site or segment thereof. The City, Developer, and Waterfront, for their own respective uses, shall also be entitled to obtain a statement of compliance at any reasonable time. Developer shall reimburse the City for all costs reasonably incurred by City in preparing a statement of compliance, including, without limitation, reimbursement for City staff time required for such preparation.

4.19 Covenant of Good Faith and Fair Dealing

No Party shall do anything which shall have the effect of harming or injuring the right of the other Party to receive the benefits of this Agreement.

4.20 Covenant of Cooperation

Developer and the City shall cooperate with and assist each other in the performance of the provisions of this Agreement, including assistance in obtaining permits for the development of the Property which may be required from public agencies other than the City. Developer reserves the right to challenge any ordinance, measure, moratorium or other limitation in a court of law if it becomes necessary to protect the development rights vested in the Property pursuant to this Agreement.

4.21 Further Actions and Instruments

The Parties to this Agreement shall cooperate with and provide reasonable assistance to the other Parties to the extent contemplated in the performance of all obligations under this Agreement and the satisfaction of the conditions of the Agreement. Upon the request of any Party, the other Party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Agreement to carry out the intent and to fulfill the provisions of this Agreement or to evidence or consummate the transactions contemplated by this Agreement.

4.22 Section Headings

All Article and Section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

4.23 Enforced Delay (Force Majeure)

4.23.1 Force Majeure Defined. In addition to specific provisions of this Agreement, performance by any Party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, enactment of conflicting state or federal laws or regulations (but only if the Party claiming delay complies at all times with the provisions of this Agreement pertaining to such conflicting laws), litigation brought by any third party (not a Party to this Agreement), or similar bases for excused performance due to causes beyond the control of and without the fault of the Party claiming an extension of time to perform.

4.23.2 Notice Requirement. An extension of time for any such cause (a "Force Majeure Delay") shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the Party claiming such extension is sent to the other Parties within thirty (30) days of knowledge of the commencement of the cause. Notwithstanding the foregoing, none of the foregoing events shall constitute a Force Majeure Delay unless and until the Party claiming such delay and interference delivers to the other Party written notice describing the event, its cause, when and how such Party obtained knowledge, the date the event commenced, and the estimated delay resulting therefrom. Any Party claiming a Force Majeure Delay shall deliver such written notice within thirty (30) days after it obtains actual knowledge of the event. Times of performance under this Agreement may also be extended in writing by the City.

4.23.3 Exception. Notwithstanding the first sentence of Section 4.23.2, the following shall apply: (i) Developer shall be entitled to a Force Majeure Delay for a period longer than the period of enforced delay if the City Council determines that such longer period is reasonably required; and (ii) Developer shall be entitled to a Force Majeure Delay notwithstanding the fact that Developer may not have given timely notice to the City, if the City Council determines that such Force Majeure Delay is reasonably required.

4.24 Emergency Circumstances

4.24.1 <u>Authority to Modify Agreement</u>. If, as the result of specific facts, events or circumstances, the City believes that a severe and immediate emergency threat to the health or safety of the City or its residents, meeting the requirements of Section 4.24.2, requires the modification, suspension or termination of this Agreement, the City will, after reasonable notice to Developer and Waterfront (in light of all the circumstances), hold a hearing on such facts, events or circumstances, at which Developer and Waterfront shall have the right to address the City Council. The City shall have the right to modify, suspend or terminate this Agreement, in whole or in part, if, following such hearing, the City Council determines that such modification, suspension or termination is required in order to protect the health and safety of the City and its residents. Nothing in this Agreement shall be deemed a waiver of Developer's or Waterfront's right to judicially challenge a determination by the City Council pursuant to this Section 4.24.1 or Section 3.1.3.5.

4.24.2 <u>Definition of Emergency</u>. For purposes of this Section 4.24, an emergency shall meet each of the following criteria: (i) it must be based on genuine health or safety concerns (other than general growth management issues); (ii) it must arise out of a documented emergency situation, as declared by the President of the United States, Governor of California, or the Mayor, City Council or City Administrator of the City of Huntington Beach; and (iii) based upon its terms or its effect as applied, it does not apply exclusively or primarily to the Site.

4.25 Severability

Invalidation of any of the provisions contained in this Agreement, or of the application thereof to any person, by judgment or court order, shall in no way affect any of the other provisions hereof or the application thereof to any other person or circumstance, and the same shall remain in full force and effect, unless enforcement of this Agreement, as so invalidated, would be unreasonable or inequitable under all the circumstances or would frustrate the purposes of this Agreement and/or the rights and obligations of the Parties hereto.

4.26 Interpretation

The language in all parts of this Agreement shall in all cases be construed simply, as a whole and in accordance with its fair meaning and not strictly for or against any Party. The Parties hereto acknowledge and agree that this Agreement has been prepared jointly by the Parties and has been the subject of arm's length and careful negotiation over a considerable period of time, that each Party has independently reviewed this Agreement with legal counsel, and that each Party has the requisite experience and sophistication to understand, interpret and agree to the particular language of the

provisions hereof. Accordingly, in the event of an ambiguity in or dispute regarding the interpretation of this Agreement, this Agreement shall not be interpreted or construed against the Party preparing it, and instead other rules of interpretation and construction shall be utilized.

4.27 Counterparts

This Agreement may be executed in duplicate counterpart originals, each of which is deemed to be an original and all of which when taken together shall constitute one and the same instrument.

4.28 Entire Agreement

This Agreement consists of thirty seven (37) pages and seven (7) exhibits (designated "A" through "G"), which constitute the entire understanding and agreement of the Parties.

IN WITNESS WHEREOF, the Parties have each executed this Agreement on the date first above written.

MAYER FINANCIAL, LTD, a California limited partnership,

CITY OF HUNTINGTON BEACH, a municipal corporation of the State of California

By: RLM Management, Inc., a California corporation, General Partner

By: Mayer, Chief Executive Officer

Robert L. Mayer, Jr., Secretary

THE WATERFRONT HOTEL, ELC, a California limited liability company

By: Waterfront Development, Inc., a California corporation, Manager

: Nobert I. Mayer Chairman

Stephen R. Bone, President & Secretary

36

ATTEST:

APPROVED AS TO FORM:

City Clerk

RÉVIEWED AND APPROVED:

for City Attorney

INITIATED AND APPROVED:

9/10/98

City Administrator

Director of Community Development

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

California	
State of Lugarnia	
State of <u>California</u> County of <u>Orange</u>	
on November 10, 1998 before m	Name and Title of Officer (e.g., "Jane Doe, Notary Public") Coff and Connie brockway, Name(s) of Signer(s)
Date Shrifey Dett	Coll and Connie brockway,
Spersonally known to me — OH — I proved to	me on the basis of satisfactory evidence to be the person(\$) whose name(\$) is are subscribed to the within instrument
•	and acknowledged to me that he/shottley executed the same in his/he/their authorized capacity(es) and that by
	his/har/their signature(S) on the instrument the person(S)
IAURA A. NEISON	or the entity upon behalf of which the person acted, executed the instrument.
Commission # 1066263 Notary Public — California	WITNESS my hand and official seal.
Orange County My Comm. Expires Jul 23, 1999	VIIIVEOUTHY TIETH CATA OFFICE COMMISSION OF THE
	TCOUL
	Signature of Notary Public
	OPTIONAL ————————————————————————————————————
Though the information below is not required by law, it is fraudulent removal and rea	attachment of this form to another document.
Description of Attached Document	
•	(-2)
- · · · · · · · · · · · · · · · · · · ·	estated Development Agreement
Document Date: 9/2/98	Number of Pages: 37 + Atta
Document Date: 9/21/98 City F Signer(s) Other Than Named Above: Robert	Number of Pages: 37+ Atta Idministrator, Community Development Durect t L. Mayer Robert L. Mayer, Jr. Stephen K. Bon
Signer(s) Other Than Named Above: Robert	Number of Pages: 37+ Atta Idministrator, Community Development Durec t L. Mayer, Robert L. Mayer, Jr., Stephen K. Bon
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Signer(s) Other Than Named Above: Robert	t L. Mayer, Robert L. Mayer, Jr., Stochenk. Bon
Signer(s) Other Than Named Above: Robert	f L. Mayer, Robert L. Mayer, Jr., Stephen K. Bon G Signer's Name: Connie Brockers Individual
Signer(s) Other Than Named Above: Robert	f L. Mayer, Robert L. Mayer, Jr., Stephen K. Bon Signer's Name: Connic Brockers Individual Corporate Officer
Signer(s) Other Than Named Above: Robert	f L. Mayer, Robert L. Mayer, Jr., Stephen K. Bon G Signer's Name: Connie Brockers Individual
Signer(s) Other Than Named Above: Robert	Signer's Name: Connic Grockwa Individual Corporate Officer Title(s): Partner— Limited General Attorney-in-Fact
Signer(s) Other Than Named Above: Robert	Signer's Name: Connic Grockwa Signer's Name: Connic Grockwa Individual Corporate Officer Title(s): Partner — Limited General Attorney-in-Fact Trustee
Signer(s) Other Than Named Above: Robert	Signer's Name: Connic Srockers Individual Corporate Officer Title(s): Partner - Limited General Attorney-in-Fact Trustee Guardian or Conservator OF SIGNER
Signer(s) Other Than Named Above: Robert	Signer's Name: Connic Grockers Individual Corporate Officer Title(s): Partner - Limited General Attorney-in-Fact Trustee Guardian or Conservator Guardian or Conservator Conserva
Signer(s) Other Than Named Above: Robert	Signer's Name: Connic Srockers Individual Corporate Officer Title(s): Partner - Limited General Attorney-in-Fact Trustee Guardian or Conservator OF SIGNER
Signer(s) Other Than Named Above: Robert	Signer's Name: Connic Srockers Individual Corporate Officer Title(s): Partner - Limited General Attorney-in-Fact Trustee Guardian or Conservator OF SIGNER
Signer(s) Other Than Named Above: Robert	Signer's Name: Connic Grockers Individual Corporate Officer Title(s): Partner - Limited General Attorney-in-Fact Trustee Guardian or Conservator General Officer Top of thumb here Signer is Representing:
Signer(s) Other Than Named Above: Robert	Signer's Name: Connic Stephenk. Bond Signer's Name: Con
Signer(s) Other Than Named Above: Robert Capacity(ies) Claimed by Signer(s) Signer's Name: Shirley Dettlof Individual Corporate Officer Title(s): Partner — Limited General Attorney-in-Fact Trustee Guardian or Conservator Officer Top of thum Signer Is Representing:	Signer's Name: Connic Grockers Individual Corporate Officer Title(s): Partner - Limited General Attorney-in-Fact Trustee Guardian or Conservator General Officer Top of thumb here Signer is Representing:

CÁLIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

California	
county of Ovange	
County of <u>Ovange</u>	
on November 17, 1998 before n	me, Laura A. Nelson, Notary Public, Name and Title of Officer (e.g., "Jane Doe", Notary Public)
personally appeared Robert L. A	Name and Title of Officer (e.g., "Jane Doe", Notary Public") Name(s) of Signer(s)
I personally known to me – OR – ∐ proved to	me on the basis of satisfactory evidence to be the person whose name (s) (s) are subscribed to the within instrument
	and acknowledged to me that ne/she/they executed the same in his her/their authorized capacity (ies), and that be
	his her/their signature(s) on the instrument the person(s
LAURA A. NELSON	or the entity upon behalf of which the person(s) acted
Commission # 1056263 Notary Public — Conformic	executed the instrument.
Cronge County My Corner, Expires Jul 23, 1999	WITNESS my hand and official seal.
	A am
	Signature of Notary Public
	OCTIONAL
Though the information below is not required by law, it	OPTIONAL may prove valuable to persons relying on the document and could preven
fraudutent removal and re	eattachment of this form to another document.
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Description of Attached Document Title or Type of Document: Amended	Restated Davelopment Agreement
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Colibernia	
State of <u>California</u> County of <u>Orange</u>	_
County of <u>Ovange</u>	· · · · · · · · · · · · · · · · · ·
on November 17,1998 before me,	Laura A. Nelson Notary Rublic.
Date Stant V	Name (s) of Signer(s) Name and Signer(s) Name (s) of Signer(s)
personally appeared <u>of exact</u> \sim	Name(s) of Signer(s)
Ppersonally known to me – OR – □ proved to me (on the basis of sattsfactory evidence to be the person(s) hose name(s) sjare subscribed to the within instrument
a	nd acknowledged to me that ne/she/they executed the
S	ame in his/ her/their authorized capacity (ies) , and that by
	s/her/their signature(s) on the instrument the person(s), r the entity upon behalf of which the person(s) acted,
FALIDA A NELSON	xecuted the instrument.
Commission # 1066263	VITNESS my hand and official seal.
Orange County My Comm. Expires Jul 23, 1999	· · · · · · · · · · · · · · · · · · ·
	NOON
1	Signature of Notary Public
OP	TIONAL ————
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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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State of <u>California</u>	<u> </u>
County of <u>Urange</u>	
On November before me	Name and Title of Officer (e.g., Vane Doe, Notary Public) Vayer — ,
personally appeared Robert L. 1	Mayer - ,
LAURA A. NELSON Commission # 1066263 Notary Public — California Orange County My Comm. Expires Jul 23, 1999 Though the information below is not required by law, it ma fraudulent removal and reat Description of Attached Document Title or Type of Document: Awended #	whose name(s) (slare subscribed to the within instrument and acknowledged to me that (ne/she/they executed the same in (ne/she/their authorized capacity(ies), and that by (ne/their signature(s)) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. WITNESS my hand and official seal. Signature of Notary Public PPTIONAL ay prove valuable to persons relying on the document and could prevent tachment of this form to another document. Restated Development Agreement
Document Date: 1 21 98	Number of Pages: 37+ Atlace Iministrator, Community Development Director & City Clerk City Attorney
Capacity(ies) Claimed by Signer(s)	or confirmed
Oupacity(ics) Claimed by Orgino (c)	Ed & Dianada Nama:
Signer's Name: Robert L. May	
Oupacity(ics) Claimed by Orgino (c)	☐ Individual ☐ Corporate Officer ☐ Title(s): ☐ Partner — ☐ Limited ☐ General ☐ Attorney-in-Fact ☐ Trustee ☐ Guardian or Conservator ☐ Grandian

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

Cal C -	
State of California	
County of Orange	
On November before r	me, <u>laura A. Nelson</u> , Notary Public Name and Title of Officer (e.g., "Jane Doe, Notary Public")
الأساء الأران	Name and Title of Officer (e.g., "Jane Doe, Notary Public")
Detsolially appeared	Name(s) of Signer(s)
Spersonally known to me – OR – ☐ proved to	me on the basis of satisfactory evidence to be the person(s whose name(s) syare subscribed to the within instrumen
	and acknowledged to me that he/she/they executed the
	same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s)
LAURA A NELSON Commission # 1066263	or the entity upon behalf of which the person(s) acted executed the instrument.
Notary Public California S Orange County	
My Comm. Expires Jul 23, 1999	WITNESS my hand and official seal.
	NCON
	Signature of Notary Public
	OPTIONAL —
Though the information below is not required by law, it is fraudulent removal and re-	may prove valuable to persons relying on the document and could preven attachment of this form to another document.
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Amended	& Restated Devolopment Agreement
Amended	
Title or Type of Document: Amended Document Date: 9/21/98 City Ac Signer(s) Other Than Named Above: May Capacity(ies) Claimed by Signer(s)	EVESTATED DEVELOPMENT Agreement Number of Pages: 37 + Att. dministrator, Community Development Directions & CityClerk. City Attroney
Title or Type of Document: Amended Document Date: 9/21/98 City Ac Signer(s) Other Than Named Above: May Capacity(ies) Claimed by Signer(s)	EVESTATED DEVELOPMENT Agreement Number of Pages: 37 + Atta dministrator, Community Development Direct or & CityClerk City Attorney
Title or Type of Document: Amended Document Date: 9/21/98 City Ac Signer(s) Other Than Named Above: May Capacity(ies) Claimed by Signer(s) Signer's Name: Robert L. May	Number of Pages: 37 + Att. Mumber of Pages: 37 + Att. dministrator, Community Development Director for & CityClerk. City Attroney Signer's Name:
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EXHIBIT "A" THE HILTON PARCEL—SITE MAP

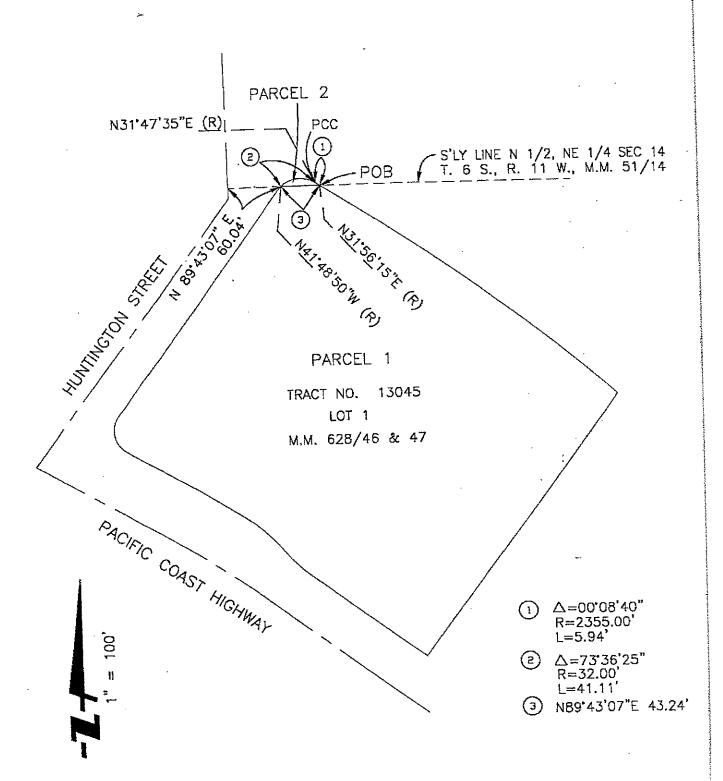


EXHIBIT "B" THE HILTON PARCEL-LEGAL DESCRIPTION

ALL THOSE CERTAIN LANDS IN THE CITY OF HUNTINGTON BEACH, COUNTY OF ORANGE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL 1:

LOT 1 OF TRACT MAP NO. 13045 AS PER MAP FILED IN BOOK 628 PAGES 46 AND 47 OF MISCELLANEOUS MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

THAT PORTION OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 6 SOUTH, RANGE 11 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE RANCHO LAS BOLSAS, AS PER MAP FILED IN BOOK 51, PAGE 14 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTH LINE OF THE NORTH HALF OF SAID SECTION 14, DISTANT THEREON NORTH 89° 43′ 07″ EAST 103.28 FEET FROM CENTER LINE OF HUNTINGTON STREET, AS SHOWN ON RECORD OF SURVEY NO. 81-1151, FILED IN BOOK 103, PAGES 28 AND 29 OF RECORDS OF SURVEY IN THE OFFICE OF SAID COUNTY RECORDER, SAID POINT BEING AT THE EASTERLY TERMINUS OF THE NORTHERLY MOST LINE OF THE LOT 1, OF TRACT MAP 13045, PER MAP FILED IN BOOK 628 PAGES 46 AND 47 OF MISCELLANEOUS MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID POINT BEING ON A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 2355.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 31° 56′ 15″ EAST; THENCE NORTHWESTERLY 5.94 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 00° 08′ 40″ TO THE BEGINNING OF A CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 32.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 31° 47′ 35″ EAST; THENCE WESTERLY 41.11 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 73° 36′ 25″ TO A POINT ON SAID SOUTH LINE OF THE NORTH HALF OF SECTION 14, SAID POINT BEING AT THE WESTERLY TERMINUS OF THE NORTHERLY MOST LINE OF SAID LOT 1, A RADIAL LINE TO SAID POINT BEARS NORTH 41° 48′ 50″ WEST; THENCE NORTH 89° 43′ 07″ EAST 43.24 FEET ALONG SAID NORTHERLY MOST LINE TO THE POINT OF BEGINNING.

ALL AS SHOWN ON EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

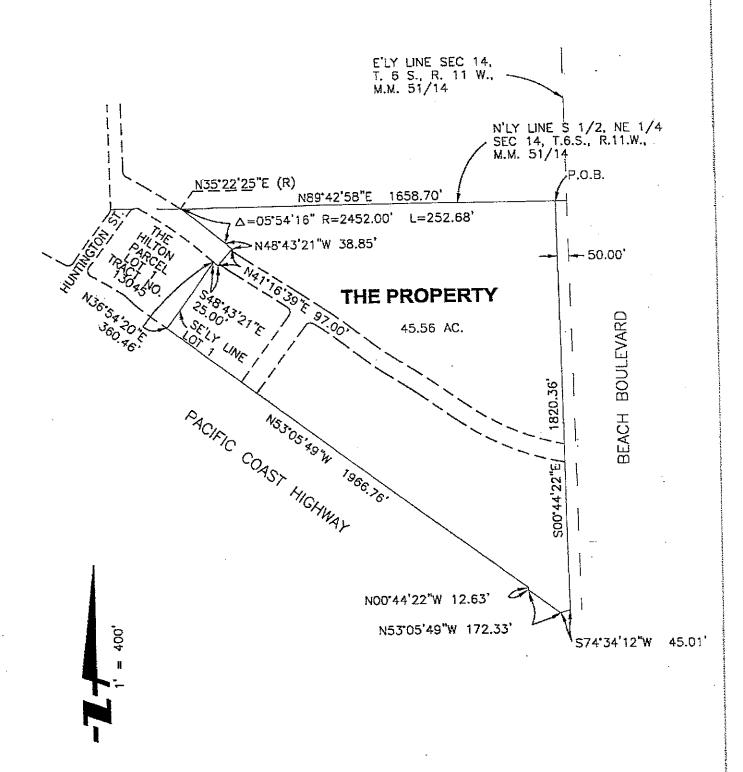
9/18/98

ROBERT É. TROUGHTON, L.S. 3750

EXP.06/30/98



EXHIBIT "C" THE PROPERTY-SITE MAP



New

EXHIBIT "D"

THE PROPERTY-LEGAL DESCRIPTION

ALL THAT CERTAIN LAND IN THE CITY OF HUNTINGTON BEACH, COUNTY OF ORANGE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THAT PORTION OF SECTION 14, TOWNSHIP 6 SOUTH, RANGE 11 WEST, SAN BERMARDINO BASE AND MERIDIAN, IN THE RANCHO LOS BOLSAS, AS PER MAP FILED IN BOOK 51, PAGE 14 OF MISCELLANEOUS MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF A LINE THAT IS PARALLEL WITH AND 50:00 FEET WEST OF THE EAST LINE OF SAID SECTION 14, WITH THE NORTH LINE OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION; THENCE SOUTH 00° 44' 22" EAST 1820.36 FEET ALONG SAID PARALLEL LINE TO A POINT IN THE NORTH LINE OF THE LAND DESCRIBED IN BOOK 2351, PAGE 5 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH 74° 34' 12" WEST 45.01 FEET ALONG SAID NORTH LINE TO A POINT IN THE NORTHEAST LINE OF THE LAND DESCRIBED AS PARCEL 2 IN BOOK 826, PAGE 379, OF SAID OFFICIAL RECORDS; THENCE NORTH 53° 05' 49" WEST 172.33 FEET ALONG SAID NORTHEAST LINE TO A POINT IN THE WEST LINE OF THE LAND DESCRIBED IN BOOK 261, PAGE 41 OF DEEDS, RECORDS OF SAID COUNTY; THENCE NORTH 00° 44' 22" WEST 12.63 FEET ALONG SAID WEST LINE TO A POINT IN THE NORTHEASTERLY RIGHT OF WAY LINE OF PACIFIC COAST HIGHWAY AS DESCRIBED IN BOOK 455, PAGE 400 OF SAID OFFICIAL RECORDS; THENCE NORTH 53° 05' 49" WEST 1966.76 FEET ALONG SAID NORTHEAST LINE TO THE MOST SOUTHERLY CORNER OF LOT 1, TRACT NO. 13045, RECORDED IN BOOK 628, PAGES 46 AND 47 OF MISCELLANEOUS MAPS, RECORDS OF SAID COUNTY; THENCE NORTH 36° 54' 20" EAST 360.46 FEET ALONG THE SOUTHEASTERLY OF SAID LOT 1 TO THE MOST EASTERLY CORNER OF SAID LOT 1; THENCE SOUTH 48° 43' 21" EAST 25.00 FEET; THENCE NORTH 41° 16' 39" EAST 97.00 FEET; THENCE N 48° 43' 21" WEST 38.85 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHWESTERLY, HAVING ARADIUS OF 2452.00 FEET; THENCE NORTHWESTERLY 252.68 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 05° 54' 16" TO A POINT ON THE NORTH LINE OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 14, A LINE RADIAL TO SAID POINT BEARS NORTH 35° 22' 25" EAST; THENCE NORTH 89° 42' 58" EAST 1658.70 FEET ALONG SAID NORTH LINE TO THE POINT OF BEGINNING.

ALL AS SHOWN ON EXHIBIT "C " ATTACHED HERETO AND MADE OF PART HEREOF.

9/18/98

ROBERT E. TROUGHTON, L.S. 3750

EXP.06/30/98



J. 3405

EXHIBIT "E" THE COMMERCIAL PARCEL

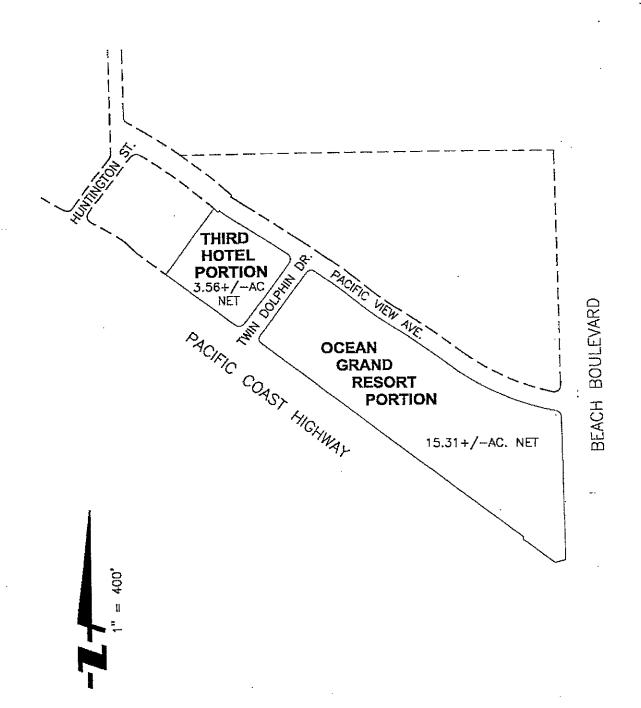


EXHIBIT "F" THE RESIDENTIAL PARCEL

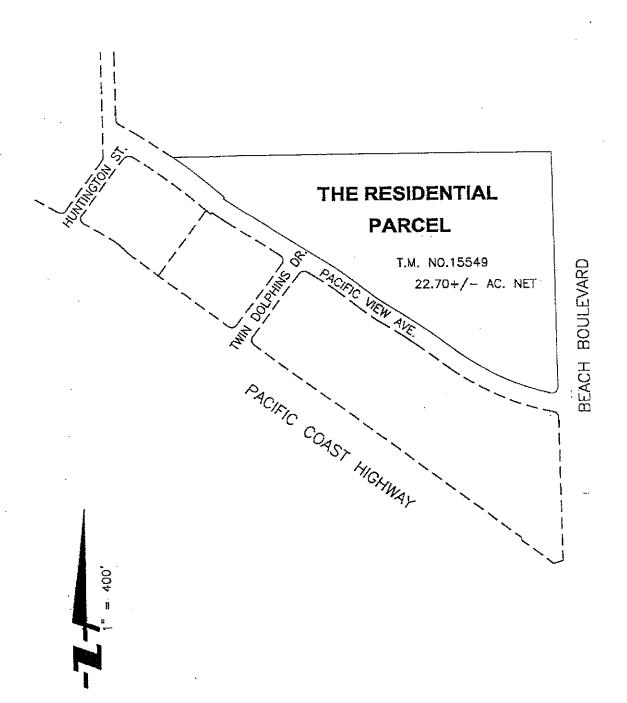
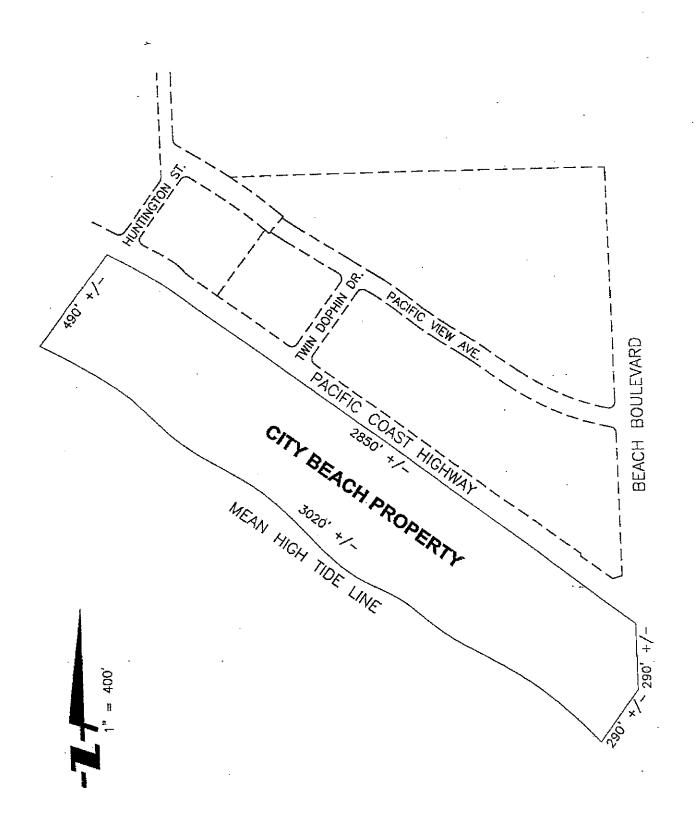


EXHIBIT "G" CITY BEACH PROPERTY



STATE OF CALIFORNIA ())	
COUNTY OF ORANGE)	SS
CITY OF HUNTINGTON BEACH)	

I, CONNIE BROCKWAY, the duly elected, qualified City Clerk of the City of Huntington Beach, and ex-officio Clerk of the City Council of said City, do hereby certify that the whole number of members of the City Council of the City of Huntington Beach is seven; that the foregoing ordinance was read to said City Council at a regular meeting thereof held on the 14th day of September, 1998, and was again read to said City Council at a regular meeting thereof held on the 21st day of September, 1998, and was passed and adopted by the affirmative vote of at least a majority of all the members of said City Council.

AYES:

Julien, Harman, Green, Dettloff, Bauer, Sullivan

NOES:

None

ABSENT:

Garofalo

ABSTAIN:

None

I, Connie Brockway CTTY CLERK of the City of

Huntington Beach and ex-officio Clerk of the City

Council, do hereby certify that a synopsis of this

ordinance has been published in the Independent on

In accordance with the City Charter of said City

Connie Brockway City Cler

10101

Deputy City Clerk

City Clerk and ex-officio Clerk of the City Council of the City of Huntington Beach, California

ORDINANCE NO. 3405

AN ORDINANCE OF THE CITY OF HUNTINGTON BEACH
ADOPTING THE AMENDED AND RESTATED
DEVELOPMENT AGREEMENT BY AND BETWEEN
THE CITY OF HUNTINGTON BEACH, AND
MAYER FINANCIAL, LTD. AND
THE WATERFRONT HOTEL, LLC

WHEREAS, in recognition of the complexity and planned long-term development of certain property commonly known as the Waterfront project (the "Site"), in 1988 the City of Huntington Beach and Robert L. Mayer, as Trustee of the Robert L. Mayer Trust of 1982, as amended ("Mayer") entered into a development agreement for the development of the Site for commercial and residential uses (the "Original Development Agreement"); and

Since adoption of the Original Development Agreement, development has been completed on a portion of the Site (the "Hilton Parcel") in accordance with the criteria established in that Agreement, but development of the other portions of the Site has not occurred as anticipated by the Original Development Agreement; and

In addition, Mayer has assigned his rights and obligations as set forth in the Original Development Agreement as to that portion of the Site for which development in accordance with the terms of the Original Development Agreement has not taken place (the "Property") to Mayer Financial, Ltd., and the rights and obligations pertaining to the Hilton Parcel have also been subsequently assigned to The Waterfront Hotel, LLC; and

The Parties desire to amend the Original Development Agreement to establish new criteria for the development of the Property and to restate the obligations and rights of the parties remaining under the Original Development Agreement as to the Hilton Parcel; and

The Amended and Restated Development Agreement between the City of Huntington Beach, on the one hand, and Mayer Financial Ltd., and The Waterfront Hotel LLC, on the other (the "Amended and Restated Development Agreement") has been prepared and reviewed at a duly noticed public hearing held by the Planning Commission of the City of Huntington Beach on August 25, 1998; and

The Amended and Restated Development Agreement has been reviewed at a duly noticed public hearing held by the City Council of the City of Huntington Beach on September 14, 1998;

NOW, THEREFORE, the City Council of the City of Huntington Beach does ordain as follows:

SECTION 1. The City Council of the City of Huntington Beach hereby finds:

- (a) The Amended and Restated Development Agreement is consistent with the City's General Plan, the Downtown Specific Plan, and the Local Coastal Program, as they apply to the Site;
- (b) The Amended and Restated Development Agreement is consistent with Chapter 246 of the Huntington Beach Zoning and Subdivision Ordinance, the Huntington Beach Municipal Code, and the State of California Subdivision Map Act, as they apply to the Site;
- (c) The Amended and Restated Development Agreement will not be detrimental to the health, safety and general welfare, and will not adversely affect the orderly development of property because it is consistent with the applicable land use regulations and incorporates mitigation measures from Environmental Impact Report 82-2, as modified by Supplemental Environmental Impact Report 82-2 and the Addendum dated <u>July 15, 1998</u>; and

(d) The City Council has considered the fiscal effect of the Amended and Restated

Development Agreement on the City and the effect on the housing needs of the region in which
the City is situated and has balanced these needs against the public service needs of its residents
and available fiscal and environmental resources.

SECTION 2. Based on the above findings, the City Council of the City of Huntington Beach hereby approves the Amended and Restated Development Agreement and adopts it by ordinance pursuant to Government Code Section 65867.5. This action is subject to a referendum.

SECTION 3. This ordinance shall take effect 30 days after its passage.

PASSED AND ADOPTED by the City Council of the City of Huntington Beach at a regular meeting thereof held on the <u>21st</u> day of <u>September</u>, 1998.

Mayor Detected

ATTEST:

APPROVED AS TO FORM:

Connel Brochway

REVIEWED AND APPROVED:

9049-9-9V

INITIATED AND APPROVED:

9 9 9 9

City Administrator

Director of Community Development

PLEASE COMPLETE THIS INFORMATION

RECORDING REQUESTED BY:

AND WHEN RECORDED MAIL TO:

Recorded in the County of Orange, California Gary L. Granville, Clerk/Recorder No Fee

19980838602 2:29pm 12/07/98

005 8018176 08 24 A17 59 6.00 174.00 0.00 0.00 0.00

1st recording doc. # 199807/15/2

Mincorrect engineering

TITLE OF DOCUMENT:

PLEASE COMPLETE THIS INFORMATION

RECORDING REQUESTED BY:

AND WHEN RECORDED MAIL TO:

City of Huntington Beach St. Seach Main St. Huntington beach Huntington beach Recorded in the County of Drange, California
Gary L. Granville, Clerk/Recorder
No Fee
19988838602 2:29pm 12/07/98

005 8018176 08 04 A17 59 6.00 174.00 0.00 0.00 0.00

see 1st recording doc. # 19980711512

White with the serving

TITLE OF DOCUMENT:

Omended april Brestaled Development agreement

199744

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

CITY OF HUNTINGTON BEACH OFFICE OF THE CITY CLERK 2000 MAIN STREET HUNTINGTON BEACH, CALIF. 92648 OAD #3405-15T
Reading AS amended
9-14-98
Adopted 9/21/98
OBIGINAL 2nd

City of Huntington Beach 2000 Main Street Huntington Beach, California 92648

Attention: City Eleak

FREE RECORDING
GOVERNMENT CODE
SECTION 6103

RE-RECORDING REQUESTED IN ORDER TO FUNCLUDE EXHIBITS
"A", "B", "G", "D", "E", "F", & "G",

Grante Brockway
City Clerk
City of Huntington Beach

Counter DATE

DATE

recording without engineer stamped ethibits (incorrect)

Recorded in the County of Drange, California
Gary L. Granville, Clerk/Recorder

1998071151

005 23014716 23 64 A12 56 6.00 165.00 0.00 0.00 0.00 0.00

and re-recorded document w/ corrected whibits as document #19980838602

18/7/98

AMENDED AND RESTATED DEVELOPMENT AGREEMENT (

lover sheet)

by and between

3N 1CF

NF

CITY OF HUNTINGTON BEACH,

and

MAYER FINANCIAL, LTD., a California limited partnership, and THE WATERFRONT HOTEL, LLC, a California limited liability company

This document is solely for the official business of the City of Huntington Beach, as contemplated under Government Code Sec. 6103 and should be recorded free of charge.

Ex-Exempt-Government Agency CITY OF HUNTINGTON BEACH Cermie Brockway, City Clerk

Deputy City Clerk

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Exhibit A: The Hilton Parcel - Site Map

Exhibit B: The Hilton Parcel - Legal Description

Exhibit C: The Property - Site Map

Exhibit D: The Property - Legal Description

Exhibit E: The Commercial Parcel (showing also the Ocean Grand Resort Portion and the Third

Hotel Portion)

Exhibit F: The Residential Parcel

Exhibit G: City Beach Property



THE WATERFRONT

COMMERCIAL MASTER SITE PLAN

PURSUANT TO DOWNTOWN SPECIFIC PLAN SECTION 4.11.02

Page 1 of 15

ELEVATION FROM PACIFIC COAST HIGHWAY

LOCATION

is located within Downtown Specific Plan District #8 and District #9 of the Main-Pier Redevelopment Project Area of the City. The two districts are separated by the future extension of encompassing approximately 44 net acres located on the inland side of Pacific Coast Highway between Huntington Street and Beach Boulevard in the City of Huntington Beach. The project The Waterfront is a master-planned mixed-use development Pacific View Avenue through the site.

The subject of this Commercial Master Site Plan is District #9 surrounded by Huntington Street, Pacific Coast Highway, Beach Boulevard and the future extension of Pacific View Avenue.

PROJECT DESCRIPTION:

shopping plaza. The project is being developed pursuant to a Development Agreement with the City and a Disposition and encompasses approximately 22 net acres and will consist of 3 phases providing three hotels, a conference center, and a retail Development Agreement with the City's Redevelopment The commercial portion of The Waterfront (District #9) Agency. The phases will be developed as follows:

300 Room First Class Hotel Phase 1:

(Completed 1990 as The Waterfront Hilton Beach Resort)

Maximum 530 Room First Class Hotel, Conference Phase 2:

Center and Retail Shopping Plaza

Interim Use Phase 3: Parking, event facility and recreation area

Permanent Use

Max, 300 Room First Class Hotel, or Option #1: Max. 150 Room First Class All-Suite Option #2:

that The as a single, integrated it is intended considered in phases, Although constructed Waterfront shall be development project.

pedestrian overpasses may be provided at the discretion of the developer as follows: (i) over Pacific Coast Highway connecting the beach to Phases I and 3, and (ii) over Iwin Dolphin Drive connecting Phase 2 and Phase 3, as along the north side of Pacific Coast Highway and west side of Highway will provide direct access between Phase 2 and the View Avenue will be extended from Huntington Street to Beach Boulevard and a linear walkway called the "Pacific Promenade" phase. Additionally, one pedestrian overpass over Pacific Coast beach for the benefit of both resort and beach visitors. As described and illustrated in greater detail herein, Pacific Beach Boulevard will provide a pedestrian link between each depicted in the illustration entitled "Public Improvements". Additional

PHASE DESCRIPTIONS:

Phase 1: 300 Room First Class Hotel

The first phase was completed in 1990 as The Waterfront Hilton Beach Resort and consists of a first-class hotel of approximately 300 guest rooms on an approximately 3.6 acre site and includes:

- One full service restaurant
- One delicatessen/snack shop
- Entertainment lounge
- Meeting and ballroom facilities

 - Giff/sundry shop
- Ocean view plaza with swirtming pool, spa and landscaping Fitness/exercise room

530 Room First Class Hotel

Phase 2:

The second phase will consist of a first class hotel of a maximum of 530 guestrooms on an approximately 10-acre site and will include:

- Two full service restaurants and a pool deli/bar
 - Lobby lounge and bar
- Conference and meeting facilities
- Health and treatment spa with fitness/exercise room
- 4 ocean view plazas with swimming pool, spas and landscaping

Conference Center

conference center will be constructed on an approximately 5 acre site with approximately 52,000 sq.ft. of net meeting space At the same time as the 530 room hotel is constructed, the and will include:

- Conference and meeting facilities including a 20,000 sq.ft. ballroom
 - 11,000 sq.ft. exhibition hall
- Clerical and conference support services
 - Outdoor plaza areas
- Function lawn for events such as, but not limited to, weddings, banquets, and receptions.

Retail Shopping Plaza

Within the second phase will be a retail shopping plaza of a maximum of 12,000 sq. ft. of net retail space located between the Hotel and Conference Center. Shops and services of the retail shopping plaza will be oriented for the hotel and conference center guests and will include:

- Gift/sundry shops and related retail boutiques
 - Specialty food outlets
- Travej assistance offices (car, plane, tours)
- Outdoor plaza areas with supporting retail carts

Interim Use Phase 3:

Parking, event facility and recreation areas

for an interim use concurrently with the development of This interim use will consist of the following described below, this approximate 3.4 acre site will be improved Prior to the construction of the Permanent Use of this site as improvements: Phase 2.

- A 5,000 sq.ft. Pavilion Tent (which currently exists on the Overflow parking facilities providing 150 spaces
 - site) and supporting plazas
- Ocean view function lawn and gazebo Tennis\Sport court(s)
 - Sand volleyball court

Outdoor barbecue grilles

Permanent Use Phase 3:

300 Room First Class Hotel Option #1;

site may be developed as a separate first class hotel. In such event, the hotel may include the following attributes: At the discretion of the developer, the Permanent Use of this

- A maximum of 300 guestrooms
- A maximum of 15,000 sq.ft. of net meeting space
 - One full service restaurant or cafe
 - One limited service café
- Entertainment lounge and/or lobby lounge
 - Gift/sundry shop/retail
- Fitness/exercise room
- Ocean view plaza with swimming pool, spa and landscaping

Permanent Use Phase 3:

Option #2:

150 Room First Class All-Suite Hotel

hotel. In such event, the hotel may include the following site may be alternatively developed as a first-class all-suite At the discretion of the developer, The Permanent Use of this attributes:

- A maximum of 150 suite-type guestrooms, with average guestroom sizes up to approximately 825 sq.ft. each A maximum of 8,000 sq.ft. of meeting space
 - One restaurant or café
- Entertainment lounge and/or lobby lounge Gift/sundry shop/retail
- Ocean view plaza with swimming pool, spa and landscaping Fitness exercise room

In either Option #1 or Option #2, the subterranean parking structure and certain other facilities may be physically connected with the existing Waterfront Hilton Beach Resort.

ADDITIONAL FEATURES:

Each hotel and the conference center will contain the amenities and support services normally contained within hotels of the categories described. As a normal feature of such hotels and conference center the restaurants, lounges and banquet for on-site consumption and will provide live entertainment and dancing. operations will serve alcoholic beverages

ARCHITECTURAL DESIGN:

areas shall be designed, landscaped and constructed with the development. It is intended that each building follow a consistent program of colors, details, exterior finishes and balconies oriented towards the ocean so that each building is related to and an enhancement of each other. The open space All portions of the project shall carry a Mediterranean architectural style and shall conform to the Downtown Specific Plan Design Guidelines. Each phase of the project shall be both individually as well as in the context of a total integrated designed so that the buildings will have architectural excellence thematic elements such as tile roofs, arched windows, same degree of excellence and architectural consistency.

SIGNAGE:

The signage will be designed to reflect the integrated nature of all the phases of the project and to blend aesthetically with the A cohesive signage program will control all signage at the site. architecture of the project

MAXIMUM DEVELOPMENT:

neight, and bulk as indicated on the illustration entitled The buildings shall conform to the maximum envelopes of guest room count, building square footages (excluding parking), Building Bulk" contained herein.

TIMING OF DEVELOPMENT:

Timing of development will be influenced by market conditions but is estimated as follows:

Phase 1: 300 Room First Class Hotel

Pacific View Avenue was extended from Huntington Street to Completed 1990 as The Waterfront Hilton Beach Resort. the eastern edge of the Phase 1 site.

530 Room First Class Hotel Retail Shopping Plaza Conference Center Phase 2:

hotel, conference center and retail shopping plaza shall be constructed concurrently. Extension of Pacific View Avenue to Beach Boulevard and the construction of Twin Dolphin Drive from Pacific View Avenue to Pacific Coast Highway shall Completion estimated to occur in year 2000. The conference additionally be completed with Phase 2.

Parking, event facility and recreation areas Phase 3: Interim Use

Completion of interim improvements is estimated to occur in year 1999.

Phase 3: Permanent Use

Option #2: 150 Room First Class All-Suite Hotel Option #1: 300 Room First Class Hotel

Completion of permanent improvements estimated to occur on or before year 2012.

VIEW OPPORTUNITIES:

As illustrated in this master site plan, the buildings are oriented perpendicular to Pacific Coast Frighway to allow abundant view Additionally, the conference center and its function lawn, the public plaza areas in the hotels, and the retail shopping plaza are located above the level of Pacific Coast Highway to provide views towards the opportunities from the guestrooms.

VEHICULAR ACCESS:

Highway or Beach Boulevard to avoid traffic impacts on the No vehicular access will be provided from Pacific Coast highways and to provide uninterrupted pedestrian circulation aiong the 'Pacific Promenade" linear walkway.

PEDESTRIAN CIRCULATION:

3oulevard, public sidewalks on Twin Dolphin Drive and a public sidewalk on the south side of Pacific View Avenue: Highway will provide direct access between Phase 2 and the Additional pedestrian overpasses may be provided at the liscretion of the developer as follows: (i) over Pacific Coast Highway connecting the beach to Phases 1 and 3, and (ii) over Iwin Dolphin Drive connecting Phase 2 and Phase 3, as The project shall provide public pedestrian links between each phase via the 'Pacific Promenade" linear walkway on the north side of Pacific Coast Highway and the west side of Beach Additionally, one pedestrian overpass over Pacific Coast beach for the benefit of both resort and beach visitors. lepicted in the illustration entitled "Public Improvements".

OPEN SPACE:

Space" contained herein. In order to create as much open space as possible, most parking at the project will be placed in garages subterranean garages underneath these landscaped open space areas shall not be considered as site coverage. See the typical section at the Pacific Promenade shown on the illustration parking garages provided that those public areas do not exceed an elevation of one foot vertical for every two feet horizontal Open space areas are indicated on the illustration entitled "Open As a result, the open space areas may include those public, landscaped areas above subterranean from the top of curb of Pacific Coast Elighway. entitled "Open Space" contained herein. selow finish grade.

PUBLIC MPROVEMENTS:

Public Improvements are generally as indicated on the illustration entitled "Public Improvements" contained herein and are generally as indicated on

PACIFIC-PROMENADE:

the project. Wherever possible, the sidewalk will be moved away from the ourb line for safety and to provide a more elevated to provide a better view of the beach. The pedestrian overpass(es) crossing Pacific Coast Highway will provide direct the north side of Pacific Coast Highway and the west side of portion, providing an inviting pedestrian connection throughout interesting experience walking within a landscaped area The 'Pacific Promenade'' is a landscaped linear walkway along Beach Boulevard with lush landscaping and a meandering thematically link each phase of The Waterfront's commercial to physically and access between the beach and the Pacific Promenade provide a way sidewalk. This will

THE WATERFRONI

PEDESTRIAN OVERPASSES:

One pedestrian overpass over Pacific Coast Highway will provide a direct connection between the hotel/conference center and the beach for the benefit of both resort and beach visitors. Additional pedestrian overpasses may be provided at the discretion of the developer as follows: (i) over Pacific Coast Highway connecting the beach to Phases 1 and 3, and (ii) over Twin Dolphin Drive connecting Phase 2 and Phase 3, as depicted in the illustration entitled 'Public Improvements".

MISCELLANEOUS:

Other public improvements provided by the project include the extension of Pacific View Avenue and Twin Dolphin Drive including sidewalks and landscaped median strips, enhanced hardscape and signage monumentation at key intersections, bus benches and tumouts as required by Orange County Transit District, acceleration/deceleration lanes on Pacific Coast Highway, street lights and traffic signals where warranted at intersections.

AREAS RESERVED FOR PUBLIC USE:

The areas reserved for public use are indicated on the illustration entitled "Areas Reserved for Public Use" contained herein.

The Pacific Promenade and surrounding public streets and sidewalks to the project shall remain open to the public at all times. Additionally, the pedestrian overpasses over Pacific Coast Highway shall remain open to the public.

MISCELLANEOUS AGREEMENTS:

PUBLIC ACCESS:

Public access easements in the form of sidewalks will be provided as necessary to allow public access to each phase of the project via the Pacific Promenade and from the beach via the pedestrian overpass(es) crossing Pacific Coast Highway.

LANDSCAPE MAINTENANCE:

The landscaping throughout all phases of the development will be maintained in a neat and consistent manner. Additionally, any landscaping behind the projects curb line which is located within the City's right-of-way, as well as the landscaping within the medians of Pacific View Avenue and Twin Dolphin Drive, will be maintained by the hotels pursuant to a license agreement to be entered into between the hotels and the City.

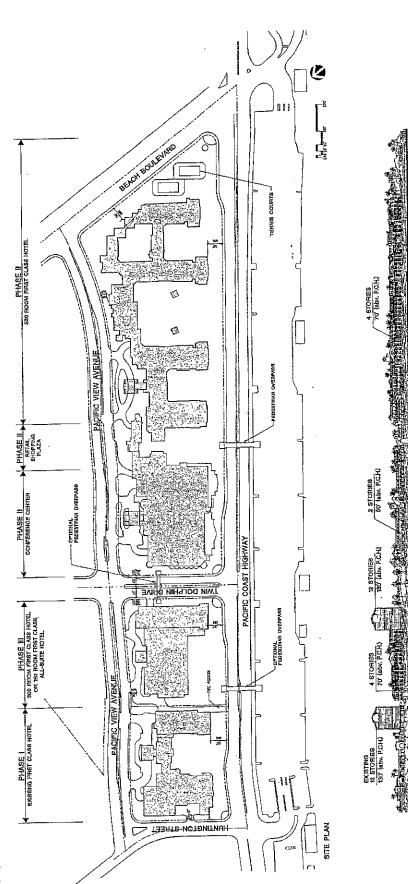
PHASE II 630 ROOM FIRST CLASS HOTEL



Page 6 of 15

Approved 09/14/98

REVISION #1



ELEVATION FROM PACIFIC COAST HIGHWAY

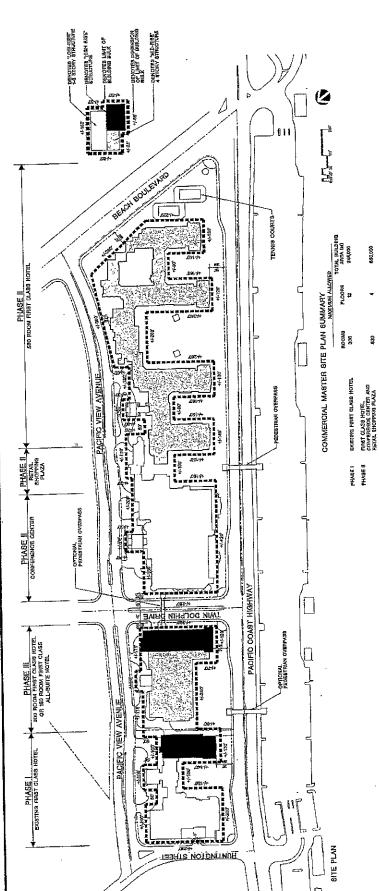
PHASE 1 EXISTING FIRST CLASS HOTEL

ATTACHMENT NO. 8.7

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Approved 09/14/98

REVISION #1



РНАЅЕ !! sso ясом янат сцав нотер.

PHASE II CONFERENCE CENTER

PHASE III SOO ROOM PIRST CLASS HOTEL OR 160 ROOM ALL-BUITE HOTEL

PHASE 1 EXISTING FIRST CLASS HOTEL

FIRST CLASS HOTEL OR FIRST CLASS AL-AVITE HOTEL

PHASE III

2 STORIES 50 (abv. P.C.H.)

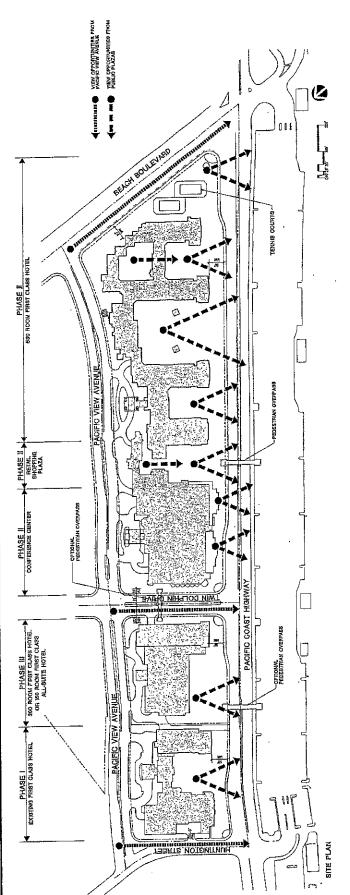
PHASE II RETAL BROPPING PLAZA

ELEVATION FROM PACIFIC COAST HIGHWAY



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REVISION #1 Approved 09/14/98



PHASE 11 RÉTAL SHOPPING PLAZA

PHASE 11 COMPEAENCE CENTER

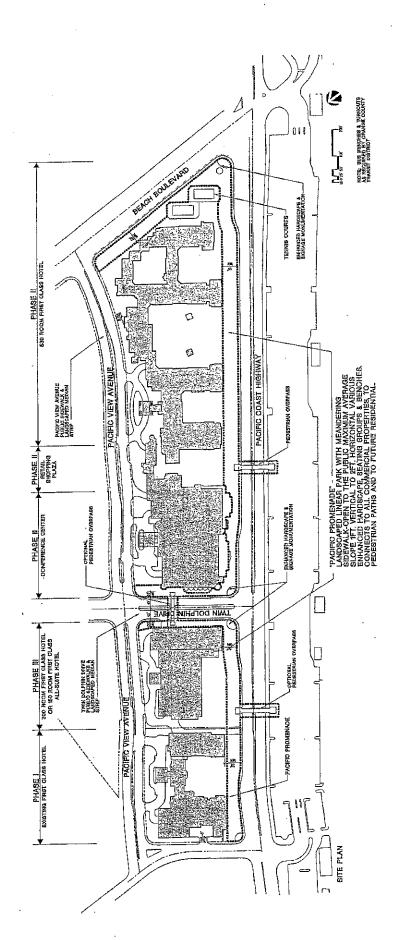
PHASE I EXISTING FIRST CLASS HOTEL,

ELEVATION FROM PACIFIC COAST HIGHWAY

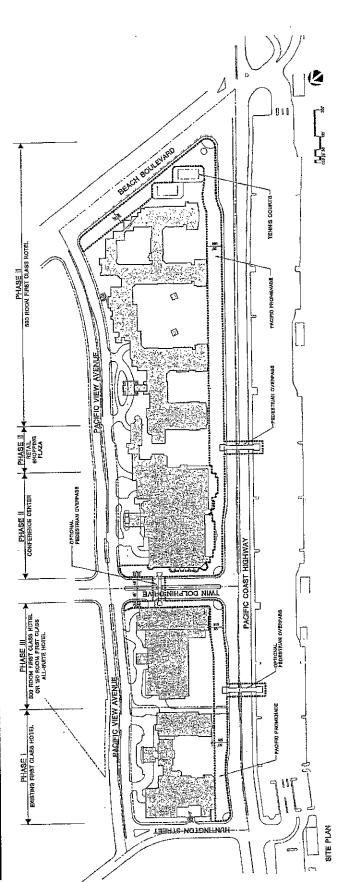
DENOTES OPEN BPACE PER MANAGE DENOTES MISCELLANEOUS OPEN SPACE Page 9 of 15 REVISION #1 Approved 09/14/98 4.2% 81.5% 41,8% 6.7% 47.3% 11.39 AC 9.23 AC STREETS, DRIVEWAYS & PARKING 148 AC 0.83 AC MISCELLANEOUS OPEN SPACE OPEN SPACE PER DOWNTOWN SPECIFIC PLAN SECTION 41110 BUILDING COVERAGE TOTAL OPEN SPACE ALLOCATION FHASE II 630 HOTEL OPEN SPACE PLAZAS POOL AREAS OF (A) TYPICAL SECTION AT PAGIFIC PROMENANE PACIFIC COAST HIGHWAY PACIFIC VIEW AVENUE LANDSCAPED SLOPE WITH MAXIMUM SLOPE AT 2 HORIZ TO 1 VERT. MEANDERING SIDEWALK WITH LOW RETAINING WALL AS NECESSARY PACIFIC COABT HIGHWAY PHASE II RETAL SHOPPING PLAZA OPEN BRADE, PLAZAS, POOL AREAS OF DOMINERGIAL PROPERTIES -OPTIONAL PEDESTHIAN OVERPABS PHASE II CONFERENCE DENTER THE WATERFRONT TAIN DOLPHIN BE SOU ROOM FIRST CLASS HOTE.
OR 150 ROOM FIRST CLASS
ALL-SUITE HOTE! 50'-0" PACIFIC VIEW AVENUE PHASE 1 EXISTING PIRST CLASS HOTEL Possiele Below Grade parking. With Landscaping over, Not considered as site coverage SITE PLAN ASOVE GRADE

ATTACHMENT NO. S.10

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PEDESTRIAN CIRCULATION PLAN

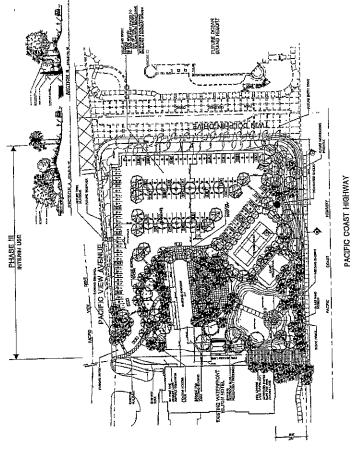
PHIMARY POINTS OF PEDESTRIAN ENTRY/EXIT

*

ATTACHMENT NO. x.13

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ATTACHMENT NO. 8.14

COMMERCIAL MASTER SITE PLAN SUMMARY

			MAXIMUM ALLOWED	LLOWED	
•		ROOMS	ROOMS FLOORS	AREA	ที่!
FIRST	FIRST CLASS HOTEL	300	12	245,000 s.f.	s.f.
FIRST CONFI RETAI	FIRST CLASS HOTEL, CONFERENCE CENTER AND RETAIL SHOPPING PLAZA	530	4	859,000 s.f.	¥ <u>÷</u> ø
FIRST	FIRST CLASS HOTEL OR FIRST CLASS ALL-SUITE HOTEL	300	5	275,000 s.f.	ه ج:
		1,130		1,170,000 s.f.	 1.

DISTRICT #9 MAXIMUM F.A.R.

F.A.R.

7,7 3.0

NOTES:

- 1. TOTAL BUILDING AREA FIGURES ARE EXCLUSIVE OF PARKING.
- 2. THE MAXIMUM FLOOR AREA PER D.S.P. STANDARDS IS 2,930,238 s.f.

SITE STATISTICS—TOTAL

				%	*
ac.	ပ္ ပုံ ဗု ဗု	ac.		48,1	4.1.%
22.101	3,603 15,270	22.423			
				8	a Ç
TOTAL NET:	PHASE 1: PHASE 2: PHASE 3:	TOTAL NET:		10.78	0.93
ACREAGE: TOTA	H H H	ATOT	ALLOCATION	OPEN SPACE PER D.S.P. 4.11.10	MISCELLANEOUS OPEN SPACE:

NOTES:

1, ALL ACREAGE FIGURES ARE NET OF DEDICATED STREETS INCLUDING ACCELERATION AND DECELERATION LANES ON PACIFIC COAST HIGHWAY.

%

11.71 ac. 9.23 1,48

TOTAL OPEN SPACE:

፠፠ 41.2 52.2

6.6

ac.

BUILDING COVERAGE: STREETS, DRIVEWAYS & PARKING:

- 2. FIGURES FOR INDIVIDUAL PHASES ARE SHOWN ON THE FOLLOWING PAGE FOR INFORMATIONAL PURPOSES, PURSUANT TO DOWNTOWN SPECIFIC PLAN DISTRICT #9, DEVELOPMENT STANDARDS ARE APPLIED ON A CUMULATIVE MASTER PLAN BASIS. FURTHER, THE PHASE-SPECIFIC FIGURES SHOWN ARE SUBJECT TO MINOR ADJUSTMENT AS EACH FUTURE PHASE IS DESIGNED IN
- SOME FIGURES MAY NOT ADD DUE TO ROUNDING.

ri

	SITESTATIST	PH/ FIRST CLASS A	ALLOCATION: OPEN SPACE PER D.S.P. 4.11.10; MISCELLANEOUS OPEN SPACE: TOTAL OPEN SPACE: SITE COVERAGE: STREETS, DRIVEWAYS	AND PARKING.
	HASE	RETAIL	52.5 % 3.1 % 55.6 % 40.7 %	317
	ВУР	TOTEL		aç.
WAI EKFK JIN I BY PHASE SITE STATISTICS—BY PHASE	PHASE 2 CLASS F E CENTER	15.27 8.01 0.48 8.49	0.57 ac.	
	SITE STATIST	PHASE 2 FIRST CLASS HOTEL CONFERENCE CENTER AND RETAIL	NET SITE AREA: ALLOCATION: OPEN SPACE PER D.S.P. 4.11.10: MISCELLANFOUS OPEN SPACE: TOTAL OPEN SPACE: SITE COVERAGE: STREETS, DRIVEWAYS	AND PARKING:
として			% % %	%
	SE		36.4 % 6.4 % 42.8 %	15.6
\mathcal{F}	Y PH/	<u>otel</u>		ac.
>	T] SS	PHASE 1 CLASS H	3.80 ac. 1,31 ac. 0,23 ac. 1,54 ac.	0.56
		PHASE 1 FIRST CLASS HOTEL	NET SITE AREA: ALLOCATION: OPEN SPACE PER D.S.P. 4.11.10: MISCELLANEOUS OPEN SPACE: TOTAL OPEN SPACE: SITE COVERAGE:	SIREEIS, URIVEWATS AND PARKING:

FIRST CLASS ALL-SUITE HOTEL

FIRST CLASS HOTEL OR

PHASE 3

SITE STATISTICS—BY PHASE

NOTES:

1. ALL ACREAGE FIGURES ARE NET OF DEDICATED STREETS INCLUDING ACCELERATION AND DECELERATION LANES ON PACIFIC COAST HIGHWAY.

100.0 % %

3.55 0.35

TOTAL NET SITE AREA:

100.0 %

ä 15,27

TOTAL NET SITE AREA:

8

100.0

0.56 ac. 3,60 ac.

TOTAL NET SITE AREA:

6,6

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%

% 8 ×

41.1 6,2 47.3 42.8

ä

1.46 0.22

ă

3.55

S S ac. ac.

1.68 1.52

- 2. FIGURES FOR INDIVIDUAL PHASES ARE SHOWN ON THIS PAGE FOR INFORMATIONAL PURPOSES. PURSUANT TO DOWNTOWN SPECIFIC PLAN DISTRICT #9, DEVELOPMENT STANDARDS ARE APPLIED ON A CUMULATIVE MASTER PLAN BASIS. FURTHER, THE PHASE.SPECIFIC FIGURES SHOWN ARE SUBJECT TO MINOR ADJUSTMENT AS EACH FUTURE PHASE IS DESIGNED IN DETAIL.
 - SOME FIGURES MAY NOT ADD DUE TO ROUNDING.

949.553.0666 TEL 949.553.8076 FAX

BERKELEY

PALM SPRINGS FORT COLLINS POINT RICHMOND

RIVERSIDE ROCKLIN SAN LUIS OBISPO SOUTH SAN FRANCISCO

February 24, 2012

Mr. Shawn Millbern The Robert Mayer Corporation 680 Newport Center Drive, Suite 1050 Newport Beach, CA 92658

Subject:

Hilton Waterfront Beach Resort Parking Analysis

Dear Mr. Millbern:

The proposed expansion of the Hilton Waterfront Beach Resort represents the fourth and final phase of the Waterfront master planned development. The first phase opened in 1990 and consisted of the existing 290-room Hilton Waterfront Beach Resort. The 517-room Hyatt Regency Huntington Beach Resort and Spa opened in 2003 and was the second phase of the master plan. The third phase, a 184dwelling-unit residential community, followed shortly in 2004. The purpose of this parking analysis is to determine whether sufficient parking is provided for the proposed expansion of the Hilton Waterfront Beach Resort. LSA Associates, Inc. (LSA) will determine the adequacy of parking by comparing the parking supply to the Development Agreement (DA), the existing Huntington Beach Zoning Code, and to the anticipated parking demand of the hotel and its ancillary uses based on industry standards.

The proposed project is an integrated expansion of the Hilton Waterfront Beach resort and will result in a single hotel operated by hotel staff and experienced by the public as one integrated hotel. The expanded parking structure will connect to the existing parking structure and will be operated by the same valet staff via the existing entry lobby and existing porte-cochere on Pacific View Drive. A second porte-cochere on Pacific View Drive will provide an additional option for attendees of ballroom events, but valet services from this entry point will still have use of the entire parking garage.

The completed development will operate and be experienced as a single hotel. Additionally, the parking supply will be connected and function as a single garage in a similar manner as currently operated. Therefore, throughout this report, LSA will analyze the total net resulting hotel rooms and ancillary uses when calculating required parking.

As a result of the research and analysis provided below, the parking demand for the expansion of the Hilton Waterfront, including all of the ancillary uses and amenities provided on site, can be accommodated within the proposed parking supply.

Project Description

The proposed expansion will construct a nine-story tower containing 156 guest rooms. In order to integrate the existing and proposed sides of the property, five existing guest rooms will be removed or repurposed. A net gain of 151 guest rooms for a total of 441 guest rooms will result from the expansion. The expansion will also provide an additional 13,579 square feet (sf) of ballroom/meeting space, an 8,280 sf spa, an additional 550 sf of fitness center use, a 1,869 sf restaurant, a 1,444 sf coffee shop/deli, and an additional poolside bar.

As mentioned previously, the existing parking garage will also be expanded. The new garage will provide 261 striped parking spaces. Four existing parking spaces will need to be removed to connect the existing and new sides of the parking garage. However, construction will permit the consolidation and movement of existing mechanical equipment in the garage, which will result in gaining one space. The net result is a gain of 258 parking spaces for a total of 579 striped parking spaces. Since 2004, the Hilton Waterfront Beach Resort has operated using 100 percent valet service. This results in parking capacity well in excess of the designated parking spaces. Discussions with the hotel valet operator suggest that parking capacity can be augmented approximately 25-50 percent by using valet services. For purposes of this analysis, a parking supply of 722 spaces will be evaluated. This supply includes both striped parking spaces and an approximate 25 percent increase in the supply based on valet operation. This percent gain is well within the anticipated benefit of valet operations described in the Downtown Huntington Beach Parking Master Plan Study (March 2009), which identified that valet operations could increase parking supply by up to 40 percent. As such, this represents a conservative estimate of the capacity that valet services would typically have at a similar facility.

Development Agreement

LSA understands that development of the property is subject to the Amended and Restated DA dated September 14, 1998. The DA requires that the hotel provide 1.1 parking spaces per guest room, plus an additional 97 parking spaces. The final hotel will consist of 441 guest rooms and would, therefore, require 583 parking spaces (rounding up) per the DA.

As shown in Table A, the proposed parking supply far exceeds this requirement. A total of 722 parking spaces will be provided on site.

Table A: Development Agreement Required Parking versus Supply

Parking Demand		Parking Supply	
1.1 per room	485.1	Striped Spaces	579
Additional 97 spaces	97	Valet Spaces	143
Total	583	Total	722
Net Effective Parking Rate	1.32	Net Effective Parking Rate	1.64

Current Huntington Beach Zoning Code

Huntington Beach Zoning Code (HBZC) Chapter 231 contains the provisions affecting off-street parking and loading. HBZC Chapter 231 has been amended since approval of the DA to generally require more off-street parking.

In particular, HBZC 231.04 provides a table detailing the number of parking spaces required for each type of land use. A hotel would be required to provide 1.1 parking spaces per guest room, 1 additional parking space for each passenger shuttle (minimum of two spaces), and parking for other uses as described in HBZC 231.04.

The definition of "hotels" in the Huntington Beach Downtown Specific Plan is "establishments offering lodging on a weekly or less than weekly basis. Suite hotels may have kitchens in all units. This classification includes eating, drinking, and banquet service associated with the facility." The Hilton Waterfront Hotel will provide parking in excess of the City of Huntington Beach (City) hotel parking rate of 1.1 spaces per room and is consistent with the definitions provided in the City's Zoning Code and the Downtown Specific Plan.

Parking Demand

In addition to examining whether the proposed expansion will provide the required amount of parking, LSA also examined whether sufficient parking is provided to satisfy anticipated parking demand from the mix of uses provided within the hotel. Typically, a shared parking analysis is undertaken when there are different land uses within a mixed-use project (such as office, residential and retail). In this instance, there is one primary land use, a hotel, with typical ancillary uses and amenities, such as a restaurant, spa, and meeting space. The restaurant facilities are integral to the hotel, rather than being an attached branded restaurant. The spa use is predominantly an amenity for the hotel guest; however, it is recognized that some non-guest use is anticipated. Furthermore, given the hotel's existing mix of business and location, the meeting space can generate additional demand for banquets and catered social events, particularly on weekends.

Industry standards, as described below, are generally well accepted and proven in the hotel industry to determine the parking supply. The type of shared parking analysis normally described by ULI's Shared Parking, Second Edition assumes more unrelated uses within a mixed-use project that are not under common managerial control. In contrast, all of the uses within a typical hotel are under the common control of the hotel management. Furthermore, for first-class resort hotels, effectively 100 percent of the business is by reservations controlled by the hotel management, often with long lead time negotiated contracts for events that use significant meeting space. Therefore, the maximum accumulated parking demand identified in a shared-use analysis may be helpful in understanding the sources and magnitude of potential parking demand, but it may not be entirely predictive of the total amount of parking experienced at a hotel. This is because hotel management has a choice in the types of business it pursues; for instance, destination resort hotels often attract corporate groups or individual travelers from out of the area who arrive by air and take chartered ground transportation (hotel shuttles or taxis) to the hotel, thereby reducing parking demand. Further, within a reasonable range of parking supply consistent with industry standards, a successful hotel can be expected to manage the mix of business and sizes of events it agrees to host based on the parking capacity available. This is in stark contrast to many mixed-use projects with significant unrelated retail, restaurant, entertainment, and/or office uses with multiple unrelated business operators that have little ability (or desire) to lessen the collective parking demand.

3

Donald Sonneman: Variables that Influence Hotel Parking Demand, the Appraisal Journal

Studies of hotel parking demand and parking operation from several sources were reviewed to further define the anticipated parking demand for the Hilton Waterfront. The sources include the existing Hilton Waterfront Hotel Resort Hotel Traffic Study (Austin-Foust Associates), Hotel Planning and Design (Rutes and Penner), Institute of Transportation Engineers (ITE) Parking Generation, Urban Land Institute (ULI) Shared Parking, "Variables That Influence Hotel Parking Demand," "Hotel Parking: How Much is Enough?," and the Pacific City Visitor-Serving Commercial project. The result of this effort is provided below.

Existing Hilton Waterfront Hotel. In February 1994, LSA prepared a parking accumulation survey for the existing Hilton Waterfront Hotel. The peak parking demand for the 290-room hotel (including 100 percent occupancy of the rooms, restaurants, and ballroom facilities) was observed to be 427 spaces. Based on the analysis, a parking rate of 1.47 spaces per room was identified for the existing Hilton Waterfront Hotel. The parking demand observed at that time was based on free parking (i.e., no gates and no valet), which could have included vehicles not destined to the hotel. Nonetheless, applying this observed rate to the expansion project would require 649 total parking spaces, which is within the proposed parking supply provided on site.

Resort Hotel Traffic Study. The *Resort Hotel Traffic Study* was prepared by Austin-Foust Associates, Inc. in December 1986. This study was included as resource material with the circulation analysis contained in EIR 82-2 prepared in 1988 for the Waterfront Master Plan and for the traffic study prepared for the Hyatt Regency Hotel in 1998. This study identified parking rates based on actual parking surveys for the following resort hotels:

- Hotel del Coronado, Coronado Island, California
- La Costa, San Diego County, California
- Marriott Hotel, Newport Beach, California
- Hyatt at Hilton Head, South Carolina.

The following table identifies the number of rooms for each hotel and the prevailing parking rate:

Hotel	Number of Rooms	Parking Spaces per Room
Del Coronado	689	0.99
La Costa	376	1.39^{1}
Marriott	400	0.81
Hyatt	359	0.80

La Costa employee parking included non-guest membership users of spa, tennis courts, and golf facilities. Observed parking rate was 1.88 spaces per room.

Based on the observations of these similar resort hotels, the proposed expansion of the Hilton Waterfront will provide adequate parking to meet the overall demand.

Hotel Planning and Design. A key reference material in the hotel planning business is *Hotel Planning and Design*, by Walter A. Rutes and Richard H. Penner. This source describes conceptual planning elements for different types of hotels and/or motels. One crucial element in hotel planning is the provision for sufficient parking. This document provides a summary of parking rates for different types of hotels according to spaces per room. The following table provides this summary.

Type of Hotel	Parking rate (Spaces per Room)
Downtown	0.4-0.8
Suburban	1.2–1.4
Airport	0.61.0
Highway	1.0-1.2
Resort	0.2–1.4
Convention	0.8-1.4
Conference Center	1.0-1.3
Residential	1.2–2.0
All-suite	0.8–1.2
Super-luxury	1.0-1.2
Mega-hotel	1.0-1.2
Mixed-use	0.6-1.2
Casino	0.8–2.0

As this table indicates, for resort hotels, the parking rate is between 0.2 and 1.4 spaces per room. The proposed Hilton Waterfront will provide up to 1.64 spaces per room, which results in greater parking capacity than other similar facilities.

ITE Parking Rates. The ITE Parking Generation, Fourth Edition, provides parking generation rate information based on three decades of research. ITE surveys were conducted at resort hotels (land use 330). Resort hotels are typically located on larger sites than conventional hotels, provide a variety of recreational activities, and cater to the tourist and vacation industry. All of the study sites included meeting/banquet rooms and on-site restaurants. These characteristics match the future Hilton Waterfront Beach Resort. ITE surveyed rates, at hotels with similar characteristics to those of the proposed hotel, identified an average parking demand of 1.29 spaces per occupied room, inclusive of all on-site uses. The Hilton Waterfront Beach Resort will provide for 1.32 striped spaces per room, and valet operations will increase the overall parking capacity by a minimum of 25 percent on site to at least 1.64 spaces per room.

ULI Parking Rates. The ULI parking rates, identified in ULI *Shared Parking*, Second Edition, show that leisure hotels generate 0.9 visitor parking spaces per room (approximately 78 percent) and 0.25 employee spaces per room (approximately 22 percent), for a total of 1.15 parking spaces per room on a weekday, 1.0 visitor parking space per room (approximately 85 percent), and 0.18 employee space per room (approximately 15 percent), for a total of 1.18 parking spaces per room on the weekend. It should be noted that this rate is similar to the HBZC-required rate of 1.10 spaces per room.

ULI suggests that the parking rate for convention space is 20 parking spaces per 1,000 sf on a weekday and 10 parking spaces per 1,000 sf on the weekend. The existing Hilton Waterfront Beach Resort offers one 5,850 sf ballroom. The proposed expansion will provide a second 8,417 sf ballroom. These main ballrooms will be located at opposite ends of the property. Smaller meeting facilities are available at the existing hotel and proposed expansion that total 13,860 sf. While ballroom and meeting space are typically grouped together, operationally they are used quite differently. Meeting facilities are predominantly used during the daytime and are generally marketed toward guests staying at the hotel. Ballroom facilities are typically utilized in the evening and may have fewer shared guests with the hotel. Based on this, these uses have been separated for purposes of the shared parking analysis.

Pacific City Huntington Beach Project. The parking demand analysis for the Pacific City Visitor-Serving Commercial Project is an appropriate comparison for the proposed project because it is an approved parking demand analysis in the City for a similar, neighboring project. Data incorporated into the Parking Demand Analysis for the proposed Pacific City project included an examination of parking demand at the Ritz Carlton Laguna Niguel. Specifically, the study identified results relating to how many users of a hotel's ancillary uses are guests at the hotel. It was found, for example, that only 10 percent of spa users are not guests of the hotel and would generate additional parking demand.

Meeting facilities were found to cater primarily to guests of the hotel (23 percent non-guests on either weekdays or weekends), while 90 percent of banquet guests on the weekday were not staying at the hotel (dropping to 77 percent on weekends). It should be noted, however, that the banquet use at the Ritz Carlton Laguna Niguel operates differently than the Hilton Waterfront. The existing Hilton Waterfront hotel operates as a business-type hotel during the weekday, with most of the banquet space utilized by guests of the hotel attending corporate meetings and events. As such, the non-guest attendance is not as high during a weekday as the weekend. Based on discussions with hotel management, the maximum attendance of non-guests in the ballrooms/banquet space is approximately 50 percent during a weekday and 75 percent during the weekend.

The Pacific City study analyzed similar operating facilities and found that ballrooms typically host groups of up to 1 person per 30 sf and that people arrive to these events with an average vehicle occupancy of 2.5 persons per vehicle. This equates to a parking generation rate of 13.3 vehicles per 1,000 sf (or 1 space per 75 sf) for ballroom/banquet use. Intuitively, it makes sense for ballroom facilities to have a lower parking rate than meeting facilities because meeting facilities tend to be arranged in a more dense classroom configuration as opposed to dinner tables and a dance floor in ballrooms.

The Pacific City study also identified the parking demand for a spa at a rate of three spaces per treatment room. The Hilton Waterfront Beach Resort expansion will provide 12 treatment rooms. Parking demand would, therefore, be estimated at 36 spaces based on this rate.

ULI Shared Parking Approach. If anticipated parking demand is calculated by disaggregating the on-site uses, the ITE parking rate discussed above would not be used, because it calculates a parking rate inclusive of all on-site uses including restaurant, cocktail lounges, and meeting/banquet rooms. In a disaggregated analysis, parking demand gathered by the ULI and published in ULI Shared Parking,

Second Edition, will be used. Parking utilization factors by time-of-day are applied to the total demand of each use to determine the highest parking demand throughout the day (including both guests and employees of the hotel). The fitness center, pool bars, and coffee shop/deli typically serve hotel guests only and would not generate parking demand above and beyond hotel room parking demand and is, therefore, not included in this disaggregated analysis. Only the on-site restaurants, spa, and ballroom/meeting space have the potential to generate parking demand for visitors (non-guests) who are not staying at the hotel.

Based on discussion with hotel management of the Hilton Waterfront, the split between guests and non-guests for the existing restaurant is estimated to be 75–25 during a weekday and 50–50 during the weekend. This is more conservative than the Pacific City study, which estimated only 25 percent non-guest use on both the weekday and weekend.

Weekday parking demand rates, hotel guest versus non-guest assumptions, and time-of-day factors from operational studies are provided in Table B (attached). The combination of this data reveals the time of day and magnitude of the highest parking demand for the weekday. As shown on Table B, the highest parking demand on a weekday is anticipated to occur at 9:00 p.m. At that time, a peak parking demand of 485 parking spaces (or 1.10 spaces per room) is forecast if both ballrooms are operated at the same time. The net effective weekday parking rate is identical to the City's required parking rate for hotels. The proposed parking facility has a total of 722 parking spaces, including striped parking spaces and capacity increased by valet operations. Therefore, the anticipated weekday peak parking demand can be accommodated on-site.

ULI also provides operational data for weekends. As mentioned above, parking demand for convention (meeting) space decreases to 10 parking spaces per 1,000 sf on weekends. An analysis of anticipated weekend operations is presented in Table C (attached). As shown in Table C, the highest parking demand on a weekend is anticipated to occur at 9:00 p.m. At that time, a peak parking demand of 592 parking spaces (or 1.34 spaces per room) is forecast if both ballrooms are operated at the same time. Therefore, the anticipated weekend peak parking demand can be accommodated on site.

Conclusion

Parking supply and demand for the proposed expansion of the Hilton Waterfront Beach Resort has been evaluated based on hotel design standards, industry parking sources, and the City's off-street parking requirements. Parking supply, including reasonable valet operations, was compared to the amount required by the DA and HBZC and was found to meet these requirements. In addition, LSA analyzed the anticipated parking demand generated by operation of all of the uses provided within the hotel. Several industry resources were examined in this effort including ITE *Parking Generation*, ULI *Shared Parking*, and the Parking Demand Analysis for the Proposed Pacific City Visitor-Serving Commercial Project in Huntington Beach. LSA also reexamined two previous parking studies prepared for the Hilton Waterfront Beach Resort (1994) and the Waterfront Ocean Grand Resort (1998).

As a result, the parking demand for the Hilton Waterfront, including the expansion and all of its ancillary uses on site, can be accommodated within the proposed parking supply. The parking demand is consistent with industry parking standards for resort hotels, as well as similar studies conducted within the City. The resultant parking rate for the proposed project (1.64 spaces per room) is more conservative than (1) observed at the existing hotel (1.47), (2) required by City Code (1.10), (3) identified in ITE (1.29), ULI (1.15), and other resort hotel sources, and (4) provided in a shared parking context with the ancillary uses on site on either a weekday (1.10) or weekend (1.34). Standard valet operations that are currently being provided on site will ensure that the parking supply meets the overall demand for the expanded hotel and all of its functions.

If you have any questions, please contact me at (949) 553-0666.

Sincerely,

LSA ASSOCIATES, INC.

Ken Wilhelm Principal

Attachments:

Table B - Weekday Shared Parking Demand

Table C - Weekend Shared Parking Demand

References:

Resort Hotel Traffic Study, Austin-Foust Associates, 1986.

Hotel Planning and Design, by Walter A. Rutes and Richard H. Penner.

ITE Parking Generation, Fourth Edition, 2010. ULI Shared Parking, Second Edition, 2005.

Huntington Beach Zoning Code.

Huntington Beach Downtown Specific Plan No. 5, November 2009.

Sonneman, Donald. "Variables That Influence Hotel Parking Demand," The

Appraisal Journal, January 1999.

Salzman, Gerald. "Hotel Parking: How Much is Enough?" Urban Land, January

1988.

"Parking Demand Analysis for the Proposed Pacific City Visitor-Serving

Commercial Project in Huntington Beach," Linscott, Law, and Greenspan

Engineers, October 2003.

⁵ Based on current operations at the Hilton Waterfront Beach Resort

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				Shared	Parking	Demand	365	394	471	460	433	433	431	431	442	439	446	479	468	447	467	485	437	395	388
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Space	sf	20 per 1,000 sf ²	277.2 Spaces	23%	Parking	Demand	0	0	32	64	64	64	64	64	64	64	49	42	32	19	19	9	0	0	0
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Comparison
w/Parking
Supply
(722 Assigned
+ Valet)

Surplus (Deficit)

¹ Huntington Beach Zoning Code, Chapter 231

² Urban Land Institute, Shared Parking, Second Edition

³ Parking Demand Analysis for the Proposed Pacific City Visitor-Serving Commercial Project

⁴ Calculated as 1 person per 30 sf and 2.5 persons per vehicle

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Notes:

¹ Huntington Beach Zoning Code, Chapter 231

² Urban Land Institute, Shared Parking, Second Edition

³ Parking Demand Analysis for the Proposed Pacific City Visitor-Serving Commercial Project

 4 Calculated as 1 person per 30 sf and 2.5 persons per vehicle 5 Based on current operations at the Hilton Waterfront Beach Resort



December 15, 2011

Chairperson Barbara Delgleize Planning Commission Members City of Huntington Beach 2000 Main Street Huntington Beach, CA 92648

Re: Planning Commission Item CUP 09-37/DA 11-02
Expansion of The Hilton Waterfront Beach Resort

Dear Chairperson Delgleize and Commission Members,

I am writing to express the support of the Huntington Beach Chamber of Commerce for the proposed expansion of The Hilton Waterfront Beach Resort. The Hilton hotel is a very successful, high-quality business that generates valuable tax revenue for the City and enhances Huntington Beach's identity as a premium tourist destination. An expansion of this hotel will continue this success and the on-going benefits for the City.

The proposed project is the culmination of a master plan that has been approved by the City for many years. The change from a free-standing hotel as originally planned at the site to an expansion of the existing hotel will result in an earlier completion of that master plan, with fewer environmental impacts. The proposed project is consistent with all the zoning regulations for the site, and is an appropriate, welcome addition to our community.

We need businesses like this in our community and on behalf of the Huntington Beach Chamber of Commerce, I urge you to approve the entitlement applications for this project.

Sincerely,

Jerry L. Wheeler, Sr. IOM

President/CEO

Rodney & Cindy Stout 21355 Estepa Cr. Huntington Beach Ca. 92648

February 3, 2011

Planning Commission Members City of Huntington Beach 2000 Main Street Huntington Beach, CA 92648 RECEIVED

. .: 7912

Departments

& Building

Re:

Expansion of the Hilton Hotel

Dear Commissioners:

I have been a resident of The Waterfront residential community behind the Hilton and Hyatt hotels since 2006 and I am writing you to express my support for this project. The Hilton and Hyatt hotels have been good businesses for our city and good neighbors to our residential community, and I think having the expanded Hilton as our neighbor will add value to our property.

Since we moved in we have been aware that a hotel would be built at this site, so we are glad to finally see that what was originally promised is going to happen.

Sincerely

Rodney Stout 21355 Estepa Cr.

Huntington Beach Ca. 92648

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